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Reprieve On U.S. Inflation For May

Market Calmed By a 0.3% Rise, Dollar Weaker

By Lawrence Malkin
International Herald Tribune

NEW YORK — The U.S. government reported Friday that consumer prices had risen only moderately in May. This calmed market fears that inflation would come roaring back with the recovery, which new production figures hinted would be sluggish.

The Labor Department said that consumer prices rose by 0.3 percent last month. The gain of one-tenth of a percentage point over April was largely attributable to the annual rise in gasoline prices that starts off the tourist season. After subtracting food and energy, the core rate remained unchanged at 0.2 percent.

After Thursday's jump in wholesale prices and also the dollar, these figures reassured the bond markets,

U.K. inflation slips, prompting calls for lower interest rates. Page 9

and yields on 30-year Treasury bonds fell to 8.51 percent as the price rose. Reversing Thursday's trend, stocks took off, and blue chips rose 31 points in the morning. The Dow Jones industrial average ended the day up 35 points, just above 3,000.

The dollar weakened slightly because the figures implied less attractive interest rates. Profit-taking after Thursday's jump pushed it down half a pfennig against the Deutsche mark in New York, but the dollar was still more than 2 pfennig up for the week.

The government also reported Friday that industrial production rose at a moderate rate of 0.5 percent in May. The manufacturing sector increased because of a rise in auto production, which is unlikely to be sustained in a glutted market. The rest of the gain stemmed from a 3.9 percent increase in electric utility output for air conditioning because last month was, as the old Broadway musical line has it, very warm for May.

The consumer price figures intensified the debate among economists on how inflation and interest rates would move during a weak recovery, with the weight of opinion leaning toward a moderate course for both.

For the first five months of the year, the consumer price index has risen at an annual rate of 2.7 percent, compared with the 6.1 percent rate in 1990 caused by skyrocketing oil prices after Iraq's invasion of Kuwait.

Blue Chip Economic Indicators reported that the consensus forecast for the second half of the year was a rise in the consumer price index at a rate of about 3.8 percent. The newsletter's panel of 50 economists expects moderate growth in gross national product, at about 2.5 percent, during the same period.

Gordon Richards, economist for the National Association of Manufacturers, argued that inflation would be held down by factors accompanying a slow recovery — persistent unemployment, a strong dollar underpinned by a narrowing trade deficit, and moderate demand restrained by low wage settlements.

Citing the rising production figures for autos and construction materials, he warned that neither could last because of the worldwide glut in car production capacity, and a U.S. oversupply of office buildings and houses.

"I believe in the Phillips curve," he said, referring to the classic tradeoff between inflation and unemployment, implying that while unemployment was high, inflation would be low.

"The bond market is a bunch of economic McCarthys," Mr. Richards said. "They see inflation just

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Ethiopian Strife: The Children Pay

To the Ravages of War, Add Bandits and Drought

By Clifford Krauss
New York Times Service

KEBRI BEYAH, Ethiopia — "A good mother feeds her children milk and meat," said Amina Abdi Ali, a 22-year-old mother of two children, as a tear rolled down her cheek. "I wish I could be a good mother."

Mrs. Amina wrapped her bony arms around her 4-year-old daughter, Ferdowsa, who is so weak she needs to be fed by a refugee camp nurse through a tube down her nose. Then Mrs. Amina brushed the flies off her daughter's legs.

"I am afraid my children will die," she sighed.

Years of failed government farm policies, civil war, banditry and drought have conspired to rob Mrs. Amina and her family of a decent life.

Today, an uneasy transition from the Communist government that collapsed last month to an interim government led by guerrillas with no administrative experience and resented by much of the population makes the Amina family's future all the more precarious.

Looting by Somali thieves and ambushes by the remnants of the old Ethiopian Army interrupted the shipment of food and water to the Kebri Beyah camp in remote eastern Harar Province for several days in recent weeks.

Relief officials said the halt in aid raised the death rate at the camp, which is inhabited by more than 50,000 Ethiopians who recently evacuated Somalia due to civil strife there, from 10 to 15 a day.

The suffering of Mrs. Amina and her two children began seven years ago when her husband, Mohammed, insisted that they flee their coffee farm outside the town of Deder so he could escape being drafted into the army of President Mengistu Haile Mariam.

"We left our clothes, our animals and our food behind because we were afraid soldiers would discover we were trying to escape," she said.

For the next six years, Mrs. Amina and her husband lived in Somali refugee camps hoping to return to Ethiopia whenever Colonel Mengistu's Marxist government was overthrown. Mrs. Amina gave birth to a boy and a girl, and she was five months pregnant when her husband, Mohammed, was killed by bandits in February.

Fearful of the growing violence in Somalia, she brought her family to the Kebri Beyah camp, hoping the Mengistu government would resettle her and her children. But with its forces collapsing in the war against three guerrilla armies, the government was slow to resettle the refugees or to offer them relief assistance.

As her daughter withered and her 6-year-old son, Muktar, developed scurvy, Mrs. Amina became anemic herself and suffered a miscarriage in the seventh month of pregnancy. Today her family and her fellow refugees are forced to dress in rags and live in tiny round huts of twigs, plastic and animal skins, without shade, privacy or hope of leaving any time soon.

The interim government, dominated by former rebels from Tigre Province, now appears to be gaining control of the region, but its ability to consolidate its political position remains in doubt.

The country is bankrupt, and its two major ports, from which

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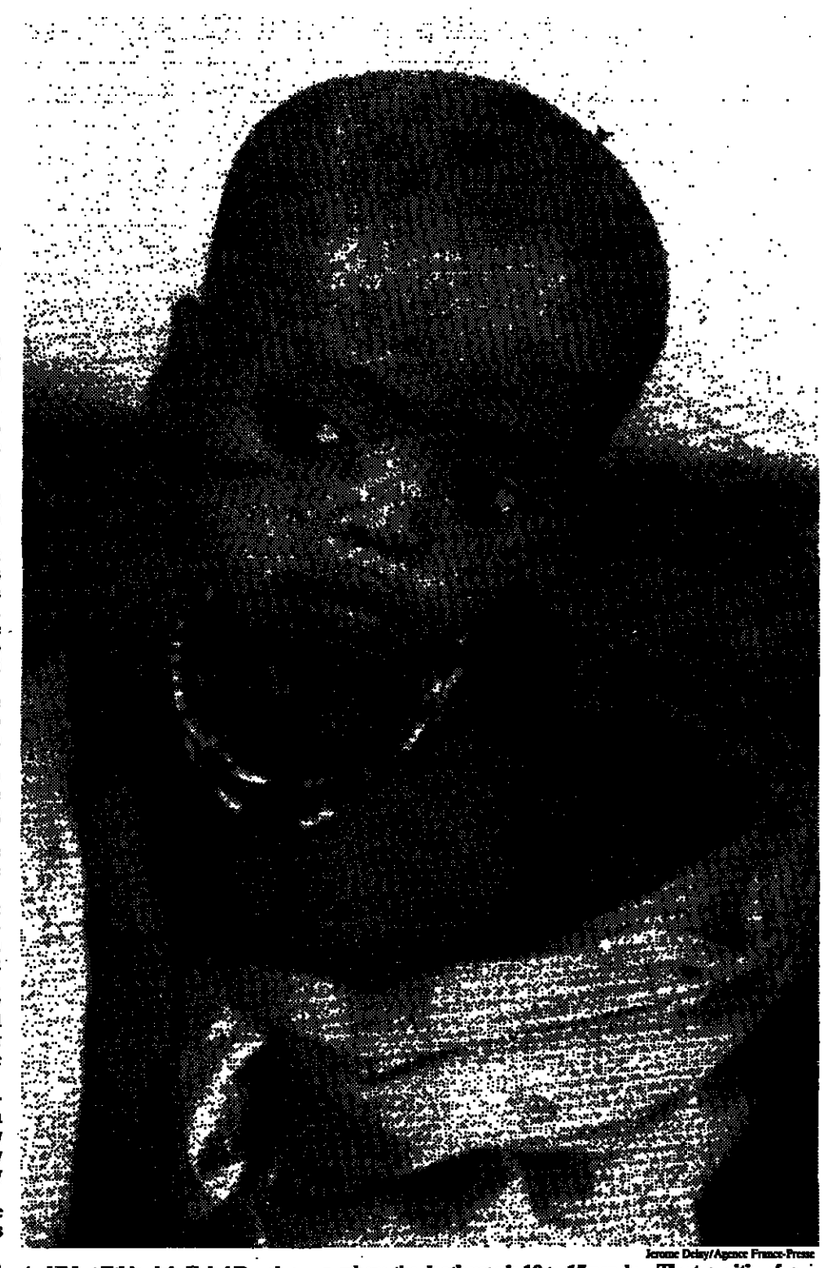

Jerome Delay/Agence France-Presse

A child at Ethiopia's Kebri Beyah camp, where the death rate is 10 to 15 per day. The transition from Marxism to an interim government makes the refugees' future particulary precarious.

Yeltsin Pleads For 18 Months To Show Gains

He Says Economy Will Take Until End of '92 to Improve

By Michael Dobbs
Washington Post Service

MOSCOW — Boris N. Yeltsin said Friday that he would use his crushing victory in Russia's presidential election to push ahead with radical changes, but he warned his supporters not to expect significant improvements in the economy before the end of 1992.

Earlier, the president-elect received a congratulatory phone call from the Soviet leader, Mikhail S. Gorbachev, his longtime political rival. The gesture was symbolic confirmation of the fact that the Soviet Union's two most prominent politicians have been forced by circumstances to cooperate with each other after months of conflict.

In his first public comments after his victory, Mr. Yeltsin said that he was pleased with the result but worried about the responsibility he now bore "for the rebirth of Russia."

Asked what his first steps would be, he replied, "Of course, implementing the reforms is most important."

"Improvement is possible at the end of 1992," he added, "but we should be patient up until then."

Last year, after he was elected chairman of the Russian parliament, Mr. Yeltsin appealed for a two-year "mandate of confidence" that would have taken him through the middle of 1992. But he says that valuable time has been lost because of the refusal of the central authorities to yield power to the republics and dismantle the centralized economy in favor of a free market system.

A senior Yeltsin aide, Lev Sukhanov, predicted that one of Mr. Yeltsin's first steps as president would be to issue a decree-outlawing the network of Communist Party cells in factories and other state institutions controlled by the Russian government.

Mr. Yeltsin has pledged to break the Communist Party's control over the economy, one of the key elements in its dominance of all aspects of Soviet life for more than 70 years.

The Russian foreign minister, Andrei V. Kozyrev, discussing Mr. Yeltsin's planned visit next week to the United States, said that the president-elect wanted to inform U.S. and other world leaders that the Soviet Union's largest republic was committed both to stability and to radical political and economic change.

Mr. Kozyrev said at a news conference that Mr. Yeltsin would have meetings with U.S. business and financial experts but would not directly ask for credits.

Mr. Yeltsin's election will not become official until after he returns to Moscow from Washington on June 22, when the final results are expected to be announced. The preliminary results indicate that the former Moscow Communist Party chief has just over 60 percent of the vote, compared with 16 percent for his main rival, Nikolai I. Ryzhkov.

A hitherto obscure politician who campaigned on a platform of extreme Russian nationalism, Vladimir Zhirinovsky, appears to have won third place, with just over 7 percent of the vote. At a news conference at which he described Mr. Yeltsin as "mentally unbalanced," he said he would transform his minuscule Liberal Democratic Party into a "League for the Protection of Russians."

Mr. Zhirinovsky seems to have outpolled the former interior minister, Vadim V. Bakatin, a liberal-minded Communist and member of Mr. Gorbachev's National Security Council. The willingness of six million voters to support him is an indication of the untapped reservoir of aggrieved Russian nationalism that could become a serious threat to Mr. Yeltsin if he fails to halt the republic's economic slide.

An analysis of voting in military garrisons suggests that Mr. Yeltsin has considerable support within the armed forces, although less than in the population at large.

U.S. to Purge List of 250,000 Unwanted Aliens

By Martin Tolchin
New York Times Service

WASHINGTON — The Bush administration has agreed to remove almost all the 250,000 names on a secret list of aliens considered ideologically unacceptable to enter the United States, ending a 40-year practice that has its roots in the McCarthy era.

The action is largely symbolic because a revision of the immigration law last year barred the State Department from excluding an individual because of beliefs, statements or political associations that would be protected under the constitution for American citizens.

Under last year's law, individuals on the list would have had to apply to have their names removed.

But the measure that the Senate Foreign Relations Committee approved by a vote of 18 to 0 on Wednesday would require the State Department to take the initiative in purging the list.

The action came on a bill that authorizes the department's policies and spending for the next fiscal year. The House of Representatives approved a similar measure last month.

Over the years, the ideological exclusion in the McCarran-Walter immigration act of 1952 had been used to bar individuals such as the Nobel laureates Gabriel García Márquez and Pablo Neruda, the novelist Graham Greene, the singer Yves Montand and the naturalist Farley Mowat.

Political leaders who were barred included Ian D. Smith, the former prime minister of Rhodesia; Daniel Ortega Saavedra, former president of Nicaragua, and Yasser Arafat, head of the Palestine Liberation Organization.

The law also barred thousands of other people who did

See LIST, Page 5

Japan Trade Official Says U.S. Needs Help

By Paul Blustein
Washington Post Service

TOKYO — The new top bureaucrat of the Japanese Ministry of International Trade and Industry said Friday that Japanese companies should help revitalize the decaying U.S. industrial base by sharing their advanced manufacturing technologies.

In his first news conference since being appointed this month, the vice minister, Yuji Tanahashi, said that because the United States had helped rebuild Japan after World War II, Japanese companies should reciprocate now that U.S. industry is having difficulty competing on world markets.

He said that more Japanese companies should enter into cooperative ventures with U.S. companies in order to spread Japan's production methods.

He also said that there should be more trans-Pacific investments, which would benefit both nations.

His remarks were reported by Japanese wire agencies and confirmed by a ministry spokesman.

Mr. Tanahashi, who has held various posts in the ministry, has made similar statements, but as vice minister his views carry greater significance.

It is unusual for a top Japanese government official to explicitly express such supreme confidence in Japanese manufacturing acumen, lest Americans interpret it as condescension.

But most business and political leaders in Tokyo share Mr. Tanahashi's confidence.

Many also agree that Japan must find ways to boost U.S. competitiveness, both because of Japan's sense of gratitude for America's postwar generosity and because of its fear that the United States may be heading toward protectionism.

Mr. Tanahashi's remarks also reflect the changes that have been under way at the ministry in recent years.

The agency has long been perceived as the nerve center of Japan's export machine, where bureaucratic wizards plot the conquest of foreign markets.

But in recent years, as Japan's export success has engendered resentment abroad, the ministry has increasingly sought to change Japanese business behavior to take the edge off the nation's economic juggernaut.

In particular, the agency has undertaken campaigns to spur imports, encourage more enjoyment of leisure time and persuade companies to set up factories overseas.

Japan is ignoring a CIA-funded report accusing it of seeking world economic domination. Page 3.

Japan's trade surplus is soaring to dangerous levels again. Page 9.

Gandhi's Killing Gives Life to an Old Devil Theory

Mark Lennihan, The Associated Press

A man carrying election ballots in Lucknow, India, on Friday. Voting in parliamentary elections, interrupted last month because of Rajiv Gandhi's assassination, was to be completed Saturday.

By Steve Coll
Washington Post Service

NEW DELHI — Three weeks after Rajiv Gandhi was assassinated by a South Asian suicide bomber suspected by investigators of being a Sri Lankan separatist guerrilla, many in India's governing elite continue to believe — and to write in leading newspapers — that CIA agents probably organized the plot to kill the former prime minister.

The view that the CIA wanted Mr. Gandhi dead is pervasive even among Indian politicians, bureaucrats, academics and journalists who have lived or traveled in the West.

It is a difficult opinion to explain or refute since it seems to arise not from evidence or even coherent speculation, but from a deep-seated emotional conviction.

That the CIA conducts covert operations abroad is well-known. Congressional investigations have shown that the agency at least contemplated a few political assassination attempts in the past, at least until the practice was outlawed by the Carter administration in the late 1970s.

But the widespread conviction among the Indian elite that the CIA plotted to kill Mr. Gandhi does not arise from this history. It comes from a different kind of thinking.

Typical was the 2,000-word assessment titled "Days of the Jackal" in the Sunday Observer, a leading weekly newspaper.

In the article, Sudheendra Kulkarni traces the history of every major political assassination in South Asia since World War II, and he finds one link binding them all: what the writer calls the desire of the industrialized world, particularly of the United States, to ensure that India, Pakistan and Bangladesh remain impoverished, weak and unstable.

Mr. Kulkarni concludes that while different individuals may have been responsible for specific assassinations, "there can be no doubt

See INDIA, Page 5

Kiosk

Burrell Sets Record in 100 Meters

NEW YORK (AP) — Leroy Burrell broke the world record in the men's 100-meter dash on Friday, clocking 9.90 seconds in the Mobil National Championships.

Burrell surpassed the record of 9.92 set by Carl Lewis during the 1988 Summer Olympics in Seoul. His previous best was 9.94, the winning time at the 1989 national championships at Houston.

Lewis finished in 9.93 seconds on Friday.

U.S. Davis Cup Lead

NEWPORT, Rhode Island (AP) — John McEnroe defeated Tomas Carbonell of Spain, 6-3, 6-2, 6-1, on Friday in the quarterfinals of Davis Cup play. The victory gave the United States a 2-0 lead.

Earlier article, Page 19

Dow Close	The Dollar In New York	
Up	DM	1.795
35.33	Pound	1.6329
3,000.45	Yen	140.705
	FF	6.0685

Crossword Page 7.
Weather Page 2.

Dutch, Bored With Tulips, Seek an Eiffel Tower of an Image

By Sara Henley
Special to the Herald Tribune

AMSTERDAM — The land of windmills is having an image crisis: Many of the Dutch are tired of their national emblems.

Children who learned basic English through the refrain "a mill, a tulip and a wooden shoe" grew into adults who have turned against these homey icons of Dutchness. They are being supported by forces in the tourist industry who demand something more dynamic.

The Netherlands Board of Tourism in The Hague has launched a nationwide competition to persuade the Dutch to dream up a new national emblem. The prize is 10,000 guilders ($5,000).

"There are 1,000 windmills in Holland, but we don't think they are a strong enough symbol to tell the story," said Guido Rijnja, a spokesman for the tourist board.

"France has the Eiffel Tower, England has Big Ben," said Tom Bus, managing director of Holland International, a leading tour operator. The Netherlands needs "something spectacular," he said.

The extent of Dutch discontent with the national iconography may not be immediately apparent to anyone strolling in Paris this weekend — a giant promotional windmill has been erected beneath the Eiffel Tower by the Dutch tourist board.

But the choice of location in itself symbolizes the problem, Mr. Rijnja said. "We are very jealous of the French with their Eiffel Tower," he said.

His feeling is that a nation that was once the leading global merchant power and that has managed to keep its feet dry even though half the country lies below sea level should find something more impressive to say about itself.

"You are selling this country short if you limit it to those symbols," said Louis van Gasteren, a promotional filmmaker whose work revolves around images of the Netherlands. He believes that the Dutch should celebrate their achievements, particularly in the perpetual battle against the ocean.

The core of the debate, however, is essentially commercial: The Dutch fear that the Netherlands risks losing market share in Europe's tourist industry.

Tourism, which makes the Dutch about 33 billion guilders in revenue, or nearly 10 percent of domestic income, is growing. But the Netherlands ranks low in intercontinental travelers' priorities. Of the 5.8 million foreign visitors to the Netherlands in 1990, about 10 percent came from the United States and just 2 percent from Japan.

"There is an international trend toward shorter holidays," said Mr. Rijnja at the tourist board. "If travelers have four days to do Europe, there is no hard argument to persuade them to go to Holland."

Despite the familiarity of the traditional Dutch totems abroad, they have clearly not taught foreigners much about the country.

There were questions in parliament last year when a survey of the Dutch image revealed that 56 percent of U.S. travelers thought the Netherlands was "a group of countries somewhere in northwestern Europe." Twenty percent thought the national language was German.

The tourist board now prefers to call the country "Holland," rather than its official name, in an effort to eliminate such basic confusion.

Mr. Rijnja said the board did not want to do away with the classic Dutch images. But the problem with the historic favorite, the windmill, is that while it was once vital in pumping away flood water, in its traditional form it now represents an outdated tech-

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Keeping the Faith at Tax Time

Italians Earmark Most of Special Fund for the Church

By Clyde Haberman
New York Times Service

ROME — Churches are about as empty as ever most Sundays across Italy, and Roman Catholic priests complain that sometimes their search for the pious is as rewarding as casting a net in fished-out waters.

But by one nonecclesiastical standard, tax collections, the church seems to be doing better than ever in this dyed-in-the-wool Catholic land, where religion is not so much a beacon of faith as an inescapable way of life.

"You don't measure faith with taxes," cautioned Bishop Attilio Nicora, a senior official of the Italian Episcopal Conference. But even the bishop acknowledges that, as superficial indicators go, this one has not been bad for him.

The reason for clerical smiles these days is a preliminary finding that the Italian church has prevailed over the government in marketplace competition for citizen loyalty.

Since last year, Italians have been able to choose whether a designated portion of their taxes should go to state social programs or instead to the church, to help pay for priests' salaries, various charities and other projects.

It used to be that Italy's 40,000 priests were paid automatically with state funds, under a system ratified by a 1929 concordat between the Vatican and the Fascist government then in power.

But when the concordat was revised in 1984, Catholicism lost its status as the state religion, and starting in 1990 the Italian church lost its claim to guaranteed revenue.

Now, Italians get to indicate on their tax forms whether a special money reserve — equivalent to eight-tenths of 1 percent of total income-tax revenues and worth about $860 million last year — should go to the church, as before, or stay in government hands.

Taxpayers could also select one of two designated Protestant denominations, but social realities are that the true choice is between the Catholic church and the state.

Although final figures are not in yet, signs are that the church got enough support in 1990 to guarantee it at least 75 percent of the available funds. That would amount to about $650 million, considerably more than had been forecast.

> **'You don't measure faith with taxes.'**
>
> **Bishop Attilio Nicora, an official of the Italian Episcopal Conference.**

Just as happily for the bishops, voluntary donations to the Episcopal Conference, which are then divided among the 25,827 parishes in the country, have also picked up sharply since taxpayers gained the right last year to deduct religious contributions from their taxable income, up to a limit of about $1,500. In just one year, such donations leaped from $19 million to $30 million.

"At least it's a sign that the church is recognized as a point of reference with valid social values," Bishop Nicora said. "Even many Italians who do not go to church recognize the worthiness of the work that we do."

Still, it requires a great leap of faith to assert outright that Italians embrace their church. To a large degree, the bishops are winning by default.

Only 42 percent of Italians who filled out an income-tax form in 1990 — which by definition excludes millions of people in this notoriously tax-evading country — picked the Catholic Church to receive their money. Twelve percent selected the government and 2 percent the Protestants.

But nearly half — 44 percent, according to the preliminary statistics — made no choice at all, either out of ignorance or vast indifference.

Under the rules, those abstainers in effect forfeited their vote. And since the church got support from three-fourths of those who did make a selection, that is the share of the tax money that will go its way.

Nonetheless, many Italians say the process proved not that they love the church more but that they love Caesar less.

Explaining why he gave his money to the priests, a widely read columnist, Enzo Biagi, wrote in the magazine Panorama recently, "I don't believe they steal from the alms box." The implication was that state ministers might.

Convinced that it could enhance its 42 percent share, the Episcopal Conference recently began an intensive advertising campaign, employing famous actors and other celebrities to persuade people that the church deserves a greater level of support.

The month of May was when Italians were supposed to file their 1991 income-tax statements. Among the targets of the publicity blitz were those who may have abstained last year because they were confused by the new system.

The church's advertising campaign has its detractors, including people who believe the clergy should not sell itself on television like a laundry detergent.

While acknowledging that viewpoint, Pierluigi Bongiovanni, a lay official of the Episcopal Conference responsible for fund raising, argues that priests are hardly exempt from the ways of the modern world.

It will be a while before he knows how effective the campaign has been, but Mr. Bongiovanni suspects he has done well.

The church, he says, may also have received support this time from normally anti-clerical Italians who were impressed by the strong opposition of Pope John Paul II to the Gulf war.

That was the position taken by Massimo Serafini, a member of Parliament from the Democratic Party of the Left, as the Italian Communists now call themselves.

"I was an atheist and I remain an atheist," he told an Italian interviewer.

But he added, "Between a state that violated the constitution by joining this war and a church that fought to the end to avoid the massacre, I choose the church."

France Adopts Wiretap Law

The Associated Press

PARIS — The National Assembly adopted on Friday a law aimed at tightening control over wiretapping by the police and by intelligence services. Under the law, use of wiretaps will be overseen by a five-member commission appointed by the president, parliamentary leaders and a senior judge. The law sets limits on the length of wiretapping operations and mandates that recordings be destroyed after a certain time.

Philippe Wojazer/Reuters

PARIS BLAZE — Smoke shrouded Paris's Sacré Coeur basilica on Friday from an oil depot fire in nearby Saint-Ouen. Seven fire fighters were injured and more than 2,500 people evacuated.

Passportless Travel in the EC by '93

Agreement Near to End Internal Immigration Controls

By Charles Goldsmith
International Herald Tribune

LUXEMBOURG — European Community immigration ministers said Friday that they expected an agreement to be signed by the end of this month to eliminate most internal immigration controls on people traveling within the EC after 1992.

The proposed External Frontiers Convention will probably contain a special provision for Britain and Denmark, allowing them to maintain controls at airports and perhaps ferry terminals, officials said.

The proposal would allow airport controls to remain only until 1995, but Britain and Denmark want them to remain longer, perhaps indefinitely in Britain's case.

"There is a broad measure of agreement," said Justice Minister Marc Fischbach of Luxembourg, which holds the rotating EC presidency. "We are so close to signature."

He said another meeting would be called for June 26 if necessary.

The convention, which would lay the groundwork for harmonization of visa policies, is based on the principle that the EC's post-1992 single market should have controls at the community's borders but allow people thereafter to travel freely within the 12 countries.

"We all agree on the principle of strong external frontier controls, but we differ on the definition of what constitutes an external frontier," said a British diplomat.

Britain maintains that its international airports are, in essence, external borders on which immigration checks should remain in order to police drug trafficking and illegal aliens in an island nation.

Denmark and Britain both maintain that it would be prohibitively expensive to redesign airports to separate arriving passengers into those coming from EC or non-EC departure points.

"We would need quite a long transition period because it means big investment, for example, in rebuilding the airport in Copenhagen," said the Danish Justice Minister, Hans Engell.

The length of any transition period must still be negotiated.

EC Body Puts Off Debate On Setting Zoo Standards

International Herald Tribune

BRUSSELS — The European Community's executive body has shelved plans to debate a measure regulating feeding and cage standards for the more than 1,000 zoos in the Community.

With deep divisions over monetary union and a summit meeting later this month, some officials said the Community did not have time to worry about the proper bedding material and other living conditions for zoo animals.

The president of the EC Commission, Jacques Delors, said the proposal was inappropriate for EC-wide legislation and should not be discussed at this time, sources said.

"A lot of people laughed when they saw how incredibly detailed some of these zoo rules were," said one EC official. The commission, he said, "should not be involved in telling national governments how many times a day an animal's water should be changed."

There was also concern about the views of animal rights activists. "Nobody at the commission wants to go on record as telling animal rights groups that they are opposed to such a piece of legislation, regardless of the reason," an official said.

Jewish Leader Assails March by Neo-Nazis

Reuters

BERLIN — The leader of Germany's Jewish community, Heinz Galinski, accused the city of Dresden on Friday of not doing enough to discourage a surge of neo-Nazism.

Mr. Galinski said that Dresden was wrong to think it could avoid controversy by giving neo-Nazis the go-ahead to stage a memorial march on Saturday for one of their leaders murdered last month.

"The city is inviting notoriety because it doesn't do enough against the neo-Nazis," Mr. Galinski said in a newspaper interview.

City officials gave the march the green light this week, saying a ban could have caused an outbreak of violence by some of the 5,000 neo-Nazis that organizers expect to attend.

Mr. Galinski said the city, where neo-Nazis have declared and waged war against foreigners and prostitutes since the fall of communism, had become a center for rightist extremists.

"Perhaps neo-Nazis go there because they can't find such good conditions for their activities anywhere else," he said.

A neo-Nazi, Rainer Sonntag, was shot to death on May 31 after clashing with pimps in front of a Dresden brothel. Two Germans accused of his murder were arrested on Wednesday in Bangkok.

More than 1,600 policemen, including 800 para-military border guards, will keep order during Mr. Sonntag's funeral and memorial march on Saturday.

Leather-clad skinheads have turned the spot where Mr. Sonntag died into a neo-Nazi shrine bedecked with wreaths and German imperial flags.

Local newspapers say many of the city's brothels and sex shops have shut down out of fear.

Dame Peggy Ashcroft Dies, A Star of the English Theater

By Peter B. Flint
New York Times Service

Dame Peggy Ashcroft, 83, a leading actress in the English theater for more than a half century, died Friday in London three weeks after suffering a stroke.

She was in the Old Vic company in the early 1930s, frequently appearing with John Gielgud in the 1930s and 1940s. She often performed in the West End of London in the 1950s and with the Royal Court, the Shakespeare Memorial Theater, the Royal Shakespeare Company and the National Theater. She was made a Dame of the British Empire in 1956, and in 1962 she became the first English actress to have a theater — the Ashcroft, in her hometown, Croydon — named after her in her lifetime.

In her mid-70s, Dame Peggy won her greatest international acclaim for two roles set in India. She played a saintly, enigmatic Englishwoman in David Lean's film of E. M. Forster's novel "A Passage to India" and then was cast as a doubting former missionary in a television series, "The Jewel in the Crown," based on Paul Scott's "Raj Quartet."

She won a 1984 Academy Award as best supporting actress for "A Passage to India." The New York Film Critics Circle voted her best actress. The two performances brought her Britain's top film and television awards. She had previously won a string of awards as the finest actress on the English stage. In April, she won a special Laurence Olivier Award for lifetime achievement.

Dame Peggy was praised as a natural actress. She brought Shakespeare's young leading women to life and was hailed as the finest Juliet of her generation, attuning her performances to John Gielgud and Olivier, who alternated in the roles of Romeo and Mercutio throughout a season.

Detractors called some of her early performances too genteel and cool, but over the decades she displayed increasing versatility in plays by Shaw, Sheridan, Chekhov, Wilde and Ibsen. With uncommon ease she worked closely with new generations of theater people and in later years played Shakespearean matrons and roles created by Edward Albee, Marguerite Duras, Harold Pinter and Beckett.

1985/AP

Peggy Ashcroft as Mrs. Moore in "A Passage to India."

As Winnie in Beckett's "Happy Days," she was required to spend the first half of the performance buried up to her waist, the second half to her neck. It was "the greatest part ever written," she said, "nearer to Everywoman than any other I can think of, and like climbing Everest to perform."

In approaching hundreds of roles, including 10 leads in a season at the Old Vic, she tirelessly sought psychological truths. "Acting," she said in 1985, "is a mysterious business, so complicated, so tender a subject, there are no rules, and I think one works instinctively."

Dame Peggy appeared in only a few movies. Her most memorable early one was a vignette in Hitchcock's 1935 thriller "The 39 Steps," as a farmer's wife who bravely aids the hero played by Robert Donat.

She cherished privacy. But she was outspoken in protesting injustices at home or abroad.

She was born in Croydon, a London suburb, to William Worsley Ashcroft, an estate appraiser, and the former Violetta Maud Bernheim. Her father was killed in World War I when she was 10, and her mother died when she was 18.

She studied at the Woodford School in Croydon and Central School of Speech and Drama in London. Her varied roles included Desdemona to Paul Robeson's Othello in 1930, stardom as Juliet and Shakespeare's other golden girls, as she called them, and title roles in Shaw's "Caesar and Cleopatra," John Drinkwater's "Mary Stuart" and Arthur Schnitzler's "Fräulein Elsa."

Later roles included the 10-hour tour de force as Margaret of Anjou in the Royal Shakespeare Company's "Wars of the Roses."

Bernard Miles, 83, Veteran English Actor

LONDON (AP) — Lord Bernard Miles, 83, veteran actor and founder of London's Mermaid Theater, died Friday in Knaresborough, north Yorkshire.

Knighted in 1969, he was made a life peer in 1979 and became Lord Miles. The late Laurence Olivier was the only other English actor to be honored with a peerage. He formed the Mermaid Theater Trust to build the first playhouse in 300 years in the City of London.

Lord Miles appeared in more than 100 plays. His parts included Iago in "Othello," Christopher Sly in "The Taming of the Shrew," Antonovitch in "The Government Inspector," and Face in "The Alchemist." In 1959, he played Long John Silver in "Treasure Island," a part he repeated often. His film credits included "In Which We Serve" (1942), "Great Expectations" (1946), "Carnival" (1946), and "The Man Who Knew Too Much" (1956).

Italy Will Send Albanians Home

Reuters

ROME — Seven-hundred Albanians who sailed across the Adriatic in makeshift rafts in a desperate attempt to emigrate to Italy are to be sent home, the Italian government decided Friday.

Immigration Minister Margherita Boniver said the Albanians would have to stay on board the ships that had rescued them until they could be sent home under Italian military escort.

The Italian authorities, swamped by 28,000 Albanian refugees who arrived in March, say they cannot handle any more and have nowhere to house the latest group.

WORLD BRIEFS

Compromise Ends Treaty Dispute

VIENNA (Reuters) — Negotiators from 22 NATO and Warsaw Pact countries on Friday approved a Soviet compromise to end a dispute threatening a treaty covering conventional forces in Europe.

At the heart of the problem are 933 tanks and other equipment that Moscow reassigned to naval and coastal defense units, outside the scope of the treaty. The West has agreed to their exclusion in exchange for Moscow's promise not to increase them and to count them towards overall arms ceilings in the treaty.

Door Snag Resolved, Shuttle Lands

EDWARDS AIR FORCE BASE, California (NYT) — After astronauts closed a cargo-bay door that they had feared might not seal properly, the space shuttle Columbia dropped out of a hazy blue sky over the California desert on Friday and landed here without mishap.

Columbia, returning from a nine-day mission, carried a crew of seven astronauts and a full complement of small passengers used for research, including 2,478 jellyfish and 29 rats.

Columbia's mission, the 41st of the space shuttle program, was primarily intended to test how humans and other forms of life adapt to space flight and weightlessness. The crew members, using themselves and their rodent and jellyfish passengers as subjects, conducted research on the effect of microgravity on cardiovascular and cardiopulmonary systems, muscles, bones and the immune system.

Soviet Muslims Riot Over Pilgrimage

MOSCOW (Reuters) — The Soviet region of Dagestan, which borders the Caspian Sea, has declared a state of emergency after government troops broke up a riot by hundreds of Muslims demanding subsidized travel to Mecca, Tass said Friday.

The Dagestan parliament declared the emergency on Thursday after rioting in Makhachkala, the region's capital. Tass reported no injuries. But Ravil Sadykov, a leader in the Islamic Renaissance Party, said one man had been killed and four people seriously injured.

Hundreds of Muslims confronted Interior Ministry troops after forcing their way into the government building to demand subsidies for the traditional pilgrimage later this month to the holy sites in Saudi Arabia.

Thousands of Swiss Women Strike

BERN (Reuters) — Thousands of Swiss women abandoned their homes and workplaces on Friday and went on strike to demand equality with men in pay and promotions, more day-care facilities and changes in social security laws to benefit housewives.

Crowds of women thronged the narrow streets of Bern, carrying banners saying, "We can't live on praise alone. Give us equal opportunities!" and "Give mum the same pension as dad." In Zurich, protesters stormed a department store to give women assistants a break, bringing business to a halt.

Organizers said that 30 percent of the women in western Switzerland had taken part in some form of protest. No estimates were immediately available for the rest of the country. But for the majority of women, it was business as usual. Restaurants and shops were open, and trains and trolleys ran on time. "The chaos we'd hoped for hasn't materialized," said a trade union official, Helena Trachsel.

Ex-Pentagon Aide Admits to Fraud

WASHINGTON (Reuters) — An assistant navy secretary in the Reagan administration pleaded guilty Friday to three criminal charges stemming from his role in a Defense Department procurement scandal, the Justice Department said. He faces a maximum of 30 years in jail and $750,000 in fines.

Melvyn R. Paisley, a former Boeing Co. executive who was the navy's top purchasing official and research chief, is the highest Pentagon official implicated. There have been more than 40 convictions of individuals stemming from the investigation and five defense companies have admitted to various charges.

Joseph Aronica, a prosecutor, said Mr. Paisley admitted to conspiring to defraud the government, to bribery and to illegal conversion of property. Mr. Aronica said Mr. Paisley had awarded a navy engine contract to Pratt & Whitney, a unit of United Technologies Co., and entered into a consulting arrangement with the company after leaving the Pentagon. He also admitted to involvement in a scheme in which he would profit by selling a condominium at a much-inflated price.

Strike Shuts Newspapers in France

PARIS (AP) — France's nationally circulated newspapers were unable to publish Friday because of a printers' strike. The strike also prevented French distribution of the International Herald Tribune.

Hundreds of printers, technicians and teletype operators joined the 24-hour strike against the Paris-based newspapers. A separate walkout disrupted programming on state-run television channels.

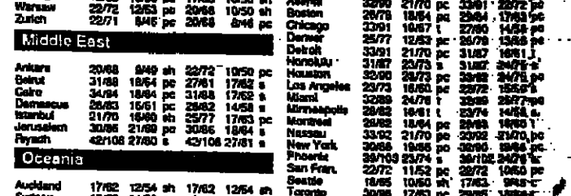
Correction

An article about abortion funding in Friday's issue should have referred to the United Nations Population Fund as the UN agency that has been denied U.S. contributions. The article also should have carried a Los Angeles Times credit.

TRAVEL UPDATE

Air Pacific, the Fiji carrier, is to start flights to the United States, Taiwan and the Japanese cities of Nagoya and Osaka. *(AFP)*

The Weather



North America

The weather in the eastern and central states will be very warm, if not hot, Sunday through Tuesday. While there will be thunderstorms around, most locations will have dry weather on two of the three days. The West Coast will be dry.

Europe

A gusty north wind will bring clouds and cool weather to all of North Central Europe Sunday into Monday; North Central Europe has been persistently cool this month. South central Europe will have rain and locally heavy thunderstorms.

Asia

Yunya will leave the Philippines Sunday. It may become a typhoon in the South China Sea and could near Hong Kong by Wednesday. Rain, some heavy, will fall at times Sunday through Tuesday from Shanghai to Tokyo. Beijing will be mainly dry.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	28/79	17/63 s	27/81	17/63 s
Amsterdam	19/67	11/52 pc	17/63	11/52 c
Athens	34/75	14/57 pc	27/80	17/62 s
Barcelona	29/85	16/60 s	28/83	14/58 s
Belgrade	24/76	12/54 s	25/77	13/56 pc
Berlin	18/67	11/52 sh	19/66	8/48 sh
Brussels	19/67	11/52 pc	17/63	10/50 c
Budapest	22/72	12/54 pc	20/68	10/50 sh
Copenhagen	20/68	11/52 sh	17/63	11/51 c
Costa Del Sol	30/86	11/52 s	31/88	13/55 s
Dublin	16/61	11/51 c	18/65	11/51 pc
Edinburgh	17/62	11/51 c	16/60	9/48 r
Florence	24/76	17/62 pc	26/79	14/57 pc
Frankfurt	21/69	11/51 pc	18/66	11/51 c
Geneva	22/71	10/50 c	21/69	10/50 pc
Helsinki	22/72	12/54 sh	21/70	11/51 pc
Las Palmas	28/82	18/65 pc	27/80	18/65 pc
Lenkgrad	24/75	12/53 sh	22/72	10/50 pc
Lisbon	27/81	18/64 pc	27/80	17/62 pc
London	17/62	11/51 pc	18/64	9/48 c
Madrid	31/88	14/57 s	30/86	14/57 s
Milan	24/76	12/54 pc	23/73	12/54 pc
Moscow	24/76	16/60 c	27/80	18/60 s
Munich	19/67	10/50 pc	19/67	11/52 c
Nice	26/79	13/56 pc	24/75	13/56 pc
Oslo	19/66	10/50 sh	17/63	9/48 c
Paris	18/65	11/51 pc	17/63	9/48 sh
Prague	20/68	10/50 sh	18/64	9/48 sh
Reykjavik	13/55	9/48 pc	13/55	9/48 pc
Rome	25/77	14/57 pc	25/77	15/59 pc
Stockholm	16/60	11/52 sh	17/62	10/50 c
Strasbourg	19/66	11/52 pc	17/62	9/48 pc
Venice	25/77	16/60 pc	24/75	13/55 pc
Vienna	18/65	10/50 pc	17/63	10/50 sh
Warsaw	22/72	12/53 pc	19/66	10/50 sh
Zurich	22/71	9/48 pc	20/68	8/46 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	33/92	25/77 pc	32/90	25/77 t
Beijing	27/81	20/68 pc	23/74	17/62 sh
Hong Kong	31/88	26/79 t	33/91	28/74 t
Manila	31/87	26/79 r	33/91	25/77 sh
New Delhi	40/104	23/74 s	39/100	23/74 s
Seoul	29/84	16/60 pc	27/80	16/60 pc
Shanghai	24/75	20/68 t	28/79	20/68 r
Singapore	32/89	23/74 pc	32/89	23/74 t
Taipei	31/88	24/75 pc	32/90	23/74 pc
Tokyo	28/79	18/64 sh	28/79	18/64 sh

Africa

Algiers	30/86	16/60 pc	28/82	17/63 pc
Cape Town	18/64	10/50 pc	19/66	11/52 sh
Casablanca	33/91	14/58 pc	32/90	14/58 pc
Harare	27/81	18/64 pc	26/82	18/65 pc
Lagos	35/101	25/77 pc	35/100	24/75 pc
Nairobi	22/73	13/56 pc	21/70	14/63 c
Tunis	27/80	18/65 s	27/81	19/66 s

Latin America

Buenos Aires	17/62	7/44 pc	18/64	7/44 pc
Caracas	32/90	24/75 pc	31/88	23/72 pc
Lima	21/70	16/60 pc	21/70	16/60 s
Mexico City	25/77	12/53 t	25/77	12/53 t
Rio de Janeiro	27/80	18/64 pc	29/84	19/66 pc

North America

Anchorage	20/68	8/46 pc	20/68	7/44 pc
Atlanta	32/90	21/70 pc	33/91	22/72 pc
Boston	29/78	18/64 pc	29/84	17/63 pc
Chicago	33/91	16/67 t	27/80	14/58 pc
Denver	25/77	12/53 pc	26/79	13/55 pc
Detroit	31/87	21/70 pc	31/87	19/66 t
Honolulu	31/87	23/73 s	31/87	24/75 s
Houston	32/90	23/73 pc	33/92	24/75 pc
Los Angeles	23/73	16/60 pc	22/72	15/59 s
Miami	32/89	24/76 t	33/89	25/77 pc
Minneapolis	28/82	16/61 t	23/74	14/58 s
Montreal	29/84	18/64 pc	29/84	19/66 t
Nassau	33/91	21/70 pc	32/89	21/70 pc
New York	30/86	19/66 pc	29/80	19/66 pc
Phoenix	39/103	23/74 s	38/100	24/75 s
San Fran.	22/72	11/52 pc	22/72	10/50 pc
Seattle	18/65	10/50 sh	17/63	9/48 c
Toronto	30/86	17/63 pc	29/80	18/64 t
Washington	32/89	21/70 pc	34/93	21/70 pc

Middle East

Ankara	30/86	9/48 sh	32/72	10/50 pc
Beirut	31/88	18/64 pc	27/81	17/62 s
Cairo	34/94	18/64 pc	31/88	17/62 s
Damascus	36/83	16/61 pc	29/82	14/58 s
Istanbul	21/70	16/60 sh	25/77	17/63 pc
Jerusalem	30/86	21/69 pc	30/86	18/64 s
Riyadh	42/108	27/80 s	43/108	27/81 s

Oceania

Auckland	17/62	12/54 sh	17/62	12/54 sh
Sydney	19/66	14/58 s	19/66	8/47 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, s-snow, Wx-w

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RELIGIOUS SERVICES

HOLLAND

UNITARIAN-UNIVERSALISTS, warmly welcome you to monthly English language services, 4th Sunday 11:00 a.m., Rapenburg 6, Leiden. Call 02946-1962 or 071-121085 evenings.

DUSSELDORF

CHRIST CHURCH (Anglican) S.S. and Services 11:00, All Denominations are welcome. Rotterdam Str. 135, Tel. 0211/452759

LUXEMBOURG

CHRISTIAN COMMUNITY CHURCH, a Christ-centered, Bible-based, non-denominational church ministering to the whole family. Sunday worship 10:30 a.m. Prayer & Bible study groups during the week. Tel.: 36.95.83.

MADRID

COMMUNITY CHURCH OF MADRID, English speaking Non-Denom. Worship and S.S. 11 am Sundays. Nursery. Meeting at Padre Damian, 34. Pastore, Tel.: 446-36 07.

MUNICH

INTERNATIONAL COMMUNITY CHURCH, Evangelical Bible Believing, services in English 4:30 p.m. Sundays at Enhabenstr. 10. (U2 Theresienstr.), (089) 850-8617.

PARIS and SUBURBS

THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

HOPE INTERNATIONAL CHURCH (CNIT Center at Paris-La Défense). Sun. 9:45 a.m. with children's SS. Evangelical & for everyone. Metro: RER (A) La Défense. Parking: QUATRE TEMPS (free). Fri. 7:30 p.m. home Bible studies. 47 73 53 54.

MONTE CARLO

INT'L FELLOWSHIP, 9 Rue L. Notari. Sunday Bible Hr. (all ages) 9:45 a.m. Worship 11 a.m. & 6 p.m. Tel.: 93.25.51.51 or 93.25.31.15.

EUROPEAN BAPTIST CONVENTION

WUPPERTAL

International Baptist Church, English, German, Persian. Worship 6 p.m., Friedenshort 64, Wuppertal - Ronsdorf. All denominations welcome. Hans-Dieter Fraund, pastor. Tel.: 0202/4698384.

ATHENS

TRINITY BAPTIST CHURCH, 58, Vouliagmenis Ave. An international church with services in English. Bible study at 9:45, worship at 11:00 a.m. Sundays. Located on main avenue south near exit to airport, across street from Water Tower. Dr. Charles Bradshaw, pastor. Tel.: 895-0165.

BERLIN

BERLIN BAPTIST CHURCH, Rothenburgstr. 13, 1000 Berlin 41, SS 1045, W 1200 + 1900. Tel.: 030-774-4670.

COPENHAGEN

INTERNATIONAL BAPTIST CHURCH, Baggesengade 7 in Nørrebro near downtown. Worship 9 a.m. Sundays (April-September) & 1 p.m. (October-March). Tel.: 31 38 57 38.

DÜSSELDORF

INTERNATIONAL BAPTIST CHURCH, English. s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Daley, Pastor, Tel.: 0211/400 157.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheinau Stra. 9, Köln. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel.: (02236) 47021.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP of the Taunus (Member European Baptist Convention), Sodenerstr. 11-18, 6380 Bad Homburg. Sundays 11:15. Tel.: 06171-54889 or 06134-23278.

HOLLAND

TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel.: 01751-78024.

MUNICH

INTERNATIONAL BAPTIST CHURCH OF MUNICH, München 83, Schumacherring 24. English Language Services. Sunday School 12:00. Worship Service 1:00. Pastor's phone: (90 8534.

PARIS and SUBURB

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. An evangelical church for the English speaking community located in the western suburbs. S.S. 9:45; Worship 10:45. Children's Church and Nursery. Dr. B.C. Thomas, pastor. Call 47.51.29.63 or 47.49.15.29 for information.

INTERNATIONAL BAPTIST FELLOWSHIP. 6:30 p.m., 123 av. du Maine. M° Gaîté. Near the Tour Montparnasse. The evening service of Emmanuel Baptist Church. Call 47.51.29.63 or 47.49.15.29.

ZURICH

INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zürich), Switzerland, Rosenbergstrasse 4. Worship Services Sunday mornings 11:00. Tel.: 720-2762.

EUROPEAN UNITARIAN UNIVERSALISTS

BARCELONA tel.: (34) 3-314-8971.

BRUSSELS meet 2nd Sun. each month, Brussels. (32) 65-36-45-70.

GENEVA/BERN tel.: (41)-31-4438-08.

MUNICH meet 4th Sun. each month at 11 a.m. Building 311, room A4, Perlacher Forst Housing Area, Munich. (49) 89 -690-2036.

NETHERLANDS meet 4th Sunday each month at 11 a.m., International House, Rapenburg 6, Leiden. (31) 2946-1962.

PARIS meet once each month, usually 4th Sunday at noon. Paris. (33) 1-4050-9819.

WIESBADEN meet every Sunday at 1 p.m., Lindsay Air Station, Wiesbaden. (49) 611-5629-03.

ASSOC. OF INT'L CHURCHES IN EUROPE & MID. EAST

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9 a.m., Worship 10:30 a.m. Tel.: 030-8132021.

BONN

AMERICAN PROTESTANT CHURCH, Sunday School 9:30 a.m., worship 11 a.m., Kennedy Allee 150. Tel.: 0228 - 37 41 93

BRUSSELS

THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School — 9:30 a.m. and Church — 10:45 a.m. Kattenberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

COPENHAGEN

INTERNATIONAL CHURCH of Copenhagen, 27 Farvergade, Vartov, near Rådhus. Study 10:15 & Worship 11:30. Jack Hustad, Pastor. Tel.: 31 62 47 85.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), S.S. 9:45, worship 11 a.m. Tel.: (069) 599478.

GENEVA

EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine. Sunday worship 11:00. Tel: (022) 20.50.89.

ISTANBUL

UNION CHURCH mtg in the Dutch Chapel at Netherlands consulate on Istiklal Cad. Sun. 9:30 & 11:00. Tel.: (90-1) 144-5212.

LONDON

AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube; Tel: (01) 580 2791.

OSLO

American Lutheran Church, Fritzners gt. 15 Worship & Sunday School 10 a.m. Tel.: (02) 44.35.84.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

STOCKHOLM

IMMANUEL CHURCH, Kungsholmsg. 6 Birger Jarl. Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel.: 46-8 151225 & 309803.

WARSAW

WARSAW INTERNATIONAL CHURCH, Protestant English language expatriates, Sundays 11:00 a.m. (Sept.-May), 10 a.m. (June-Aug.) UL. Piekna 14 A. Tel.: 43-29-70.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

AMERICAN TOPICS

Carmakers Dropping Semiautomatic Belt

The semiautomatic safety belt system used in millions of cars will be phased out by the mid-1990s as potentially hazardous and replaced by air bags, which cost several hundred dollars more. Safety engineers now concur that air bags, when used with shoulder harness and lap belt, provide the best protection, The New York Times reports.

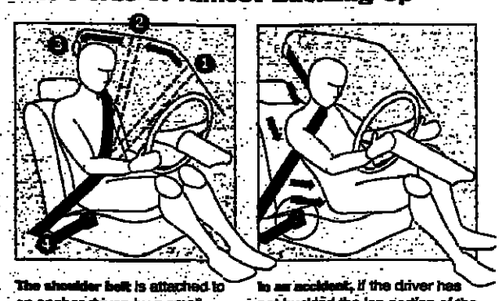
The semiautomatic system consists of a motorized shoulder belt and a manual lap belt. When a driver or front-seat passenger closes a car door and turns the ignition, the motorized belt crosses the chest *diagonally. The lap* belt only works if closed by hand.

A study by the University of North Carolina and widely cited by the insurance and consumer experts concludes that more than two out of three occupants of such cars, lulled by the automatic shoulder strap into a false sense of security, do not fasten their lap belts.

Some safety engineers say failing to buckle a lap belt can permit an occupant, particularly one of short stature, to slide under the shoulder belt during a collision and strike the dashboard. In one accident, a woman without her lap belt fastened was decapitated.

Dr. Joseph Burton, the medical examiner for the Atlanta area who performed the autopsy, said, "The only logical explanation was that the belt cut through her neck and took off the head."

The Perils of Almost Buckling Up



The shoulder belt is attached to an anchor driven by a small electric motor which travels along a track in the door frame. When the door is open, the belt is at 1. When the door is shut and the ignition key is in the on position, the motor automatically pulls the shoulder belt across the track 2 into place at the door frame 3. The lap portion of the belt must be fastened manually 4.

In an accident, if the driver has not buckled the lap portion of the belt manually, "submarining" may occur. The driver slides forward and down with the force of impact, meeting resistance from the automated shoulder belt. Head and neck injuries may occur. The driver can also slip completely under the automated belt into the dash area, or be thrown from the car.

Source: National Highway Traffic Safety Administration

The New York Times

Short Takes

An American Indian medicine man treats Indian alcoholics at the Veterans Hospital in St. Cloud, Minnesota. At least, officials call Cecil R. Renville Jr. a medicine man. Mr. Renville, 35, a Sioux, prefers to call himself a "spiritual adviser." A key treatment is the "sweat lodge," a low wigwam where cold water is poured over hot rocks, like a sauna, while the medicine man leads five or so perspiring patients in two hours of songs and chants. This age-old rite of purification, Mr. Renville said, "is a way of life — it is not a religion." Death from alcoholism is four times as common for American Indians as for the population as a whole.

Meals prepared in pleasure-boat galleys should be quick and easy to prepare, says Elizabeth Wheeler, author of "The Yachting Cookbook," (Crown, $30), who gives classes in galley cooking. Although galley stoves are usually gimbaled to keep pots level, they are tiny, as are refrigerators and sinks. Ms. Wheeler says no dish should require more than two pots and "most important, keep it simple." A propane or charcoal grill on the afterdeck can keep smoke out of the galley. Once, Ms. Wheeler recalls, a seagull neatly swiped a pork chop from a grill. She watched as bird and chop disappeared from view. "Sometimes," she said, "you just learn."

About People

While post office customers may be tired of slow service, Postmaster General Anthony M. Frank says he is tired of the complaints. His goal, he says, is that customers should have to wait no longer than five minutes to buy stamps. While the post office is a monopoly, he says, "we can't act like a monopoly."

Michael S. Dukakis, the former Massachusetts governor and the Democratic candidate for president in 1988, will teach political science to undergraduates during the summer term at Northeastern University in Boston and a graduate course in health-care policy in the fall. Mr. Dukakis, 57, also will be a guest lecturer this summer at Harvard University's John F. Kennedy School of Government, where he taught from 1979 to 1982.

Robert S. Strauss, the former Democratic national chairman who has been named by the Republican administration of George Bush as ambassador to Moscow, has always had solid connections in the Oval Office of the White House no matter which party is in power. The political columnist Mary McGrory notes, "The great quip about him was spoken by his more partisan, less lucky fellow Texan, former House speaker Jim Wright: 'I don't know who the next president is going to be, but I know who his best friend will be.' "

Arthur Higbee

U.S. Data Back Iraqi on Nuclear Site

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The U.S. intelligence community has obtained information that corroborates an Iraqi defector's claim that his country conducted secret nuclear weapons research at an underground facility in northern Iraq, U.S. officials say.

The Bush administration is pressing for a formal international inspection of the site, where the defector said a sizable quantity of weapons-grade uranium had been created without the knowledge of other governments, the officials said.

The site is understood to be in a mountain near Mosul, where Iraq maintained a uranium mine as well as facilities for researching ballistic missiles and chemical weapons, all of which were heavily damaged during the Gulf war.

The defector, a nuclear scientist who surrendered to U.S. forces in Iraq after the end of the war, is considered a credible source of information about Iraq's weapons program, several officials said. But details of his allegations are still under investigation.

"Several new missions are being planned and will travel to Iraq shortly," said an official connected with the UN Special Commission on Iraq, which has helped coordinate inspections of Iraq's nuclear program.

Word of the defector's existence began to circulate in Washington last week after officials of the United Nations and the International Atomic Energy Agency declared they had located all of Iraq's stockpile of weapons-grade uranium.

That declaration was based on a visit in May by inspectors of the agency to the site where Iraq had stored a quantity of uranium it had declared before the war as a signatory of the Nuclear Nonproliferation Treaty.

Under terms of the UN resolution formally ending the Gulf war, Iraq is obligated to declare and surrender all nuclear materials.

Several officials said those who confirmed the defector's existence following a report from Iraq last week by National Public Radio were evidently distressed that the agency considered its job finished.

Bush administration officials, briefed on the defector's allegations, subsequently decided to press for the wider inspections in Iraq.

The State Department announced Thursday that it was giving the UN Special Commission a fresh infusion of $2 million to help fund its activities.

The Iraqi defector said the clandestine uranium had been created by a primitive device known as a calutron. The device is similar to that used by the United States to produce enriched uranium for the nuclear bomb it detonated over Hiroshima, Japan, in 1945.

House Links India Aid to N-Arms

By Guy Gugliotta
Washington Post Service

WASHINGTON — The House of Representatives has approved legislation linking economic and military aid to India to the nonproliferation of nuclear weapons. The measure imposes conditions on India similar to those now governing aid to Pakistan.

The legislation, which was passed Thursday by a vote of 242 to 141, is an amendment to the 1991 foreign aid authorization bill and is opposed by the Bush administration. To become law, the measure must also be approved by the Senate, and the bill must be signed by the president.

In October, the United States cut off all aid to Pakistan — $238 million for fiscal 1991 — because President George Bush failed to certify that Pakistan does not possess a nuclear explosive device.

An amendment to strike the certification requirement failed Wednesday. The measure approved Thursday, rather than eliminating the requirement, effectively extended it to cover India.

But it also changed the language, saying the aid cutoff would not occur if the president certified that India "has not developed additional" nuclear weapons. India exploded a nuclear device in 1974.

[India objected Friday to the move, which it said equated it with Pakistan, Reuters reported.

["While India has followed a consistent policy of not acquiring a nuclear weapons program, Pakistan has single-mindedly pursued a clandestine nuclear weapons program by willful violation of the U.S laws," a government statement said. "Attempts to equate India with Pakistan in this manner, therefore, seem misplaced."]

The amendment, sponsored by Representative Robert J. Lagomarsino, Republican of California, potentially could cost India $22 million in U.S. development assistance for fiscal 1992. Pakistan has proposed that China, the Soviet Union and the United States mediate talks between Pakistan and India on controlling the spread of nuclear weapons on the subcontinent.

The secretary-general of Pakistan's Ministry of Foreign Affairs, Akram Zaki, said Thursday after talks in Washington that U.S. officials found the proposal "constructive" and "worth pursuing."

The other major powers have shown interest in the idea, he said, but India has not responded.

Japanese Disregard A Critical CIA Study

The Associated Press

TOKYO — Government officials are still choosing to ignore a CIA-funded report depicting Japan as a racist society bent on world economic domination, and they say it will not strain Tokyo-Washington relations.

They do not take the report, which describes Japan as an "amoral, manipulative culture," as representative of American views, official or otherwise, but are worried about extremist opinions in both countries, analysts say.

The Central Intelligence Agency, the Rochester Institute of Technology, where the document was prepared, and some participants in discussions on which the report was based have distanced themselves from the report, entitled "Japan 2000."

"I don't think that report has any impact," said Seizaburo Sato, a Tokyo University professor and frequent commentator on U.S.-Japanese relations. "On each side of the Pacific, there are some foolish people."

The Foreign Ministry tries not to overreact to "emotional" opinions on either side of the alliance, said a ministry official, speaking on condition of anonymity.

Officials at both the Foreign Ministry and International Trade and Industry Ministry said the document would not harm U.S.-Japanese ties.

"I don't see any response from Japanese officials or political circles," said Yasuo Suzuki, foreign editor of the Yomiuri Shimbun, Japan's largest-circulation newspaper.

Excerpts of the unclassified report brand the Japanese "creatures of an ageless, amoral, manipulative and controlling culture" who believe in the concept that "might is right." That, along with their economic success, "causes them to now feel superior to other people," the report adds.

"They therefore believe that it is now appropriate for them to exercise domination."

The report also says that Japanese propaganda is lulling Americans into thinking that economic differences between the two countries are lessening when they are not, and it concludes that the West should dramatically reassert itself to block Japanese business from such domination.

Two of the experts who contributed to the report, Jeffrey E. Garten, a New York investment banker, and Kent E. Calder of Princeton University, have distanced themselves from it. A third, Chalmers Johnson of the University of California at San Diego, has said that it accurately reflects the experts' discussions.

With Pyongyang's Overtures, Roh Sees the North Coming 'to Its Senses'

By David E. Sanger
New York Times Service

SEOUL — President Roh Tae Woo said Thursday that after four decades of violence and bitter division, "North Korea has come to its senses" and is sending the first signals that it is preparing to "step forward into the open world."

Mr. Roh's assessment of a series of surprising announcements in recent weeks from the North Korean capital, Pyongyang, came in a wide-ranging interview Thursday at Blue House, the presidential palace on a hillside above Seoul.

Mr. Roh, 58, rejected calls for a reduction of American nuclear arms from South Korea as a gesture to reduce tensions on the Korean Peninsula, saying that "withdrawing them would be meaningless."

But he also predicted that "North Korea will eventually be forced to comply" with demands that it allow international inspection of its nuclear installations, a step that North Korea has indicated in recent days that it may now be ready to make. Both issues are expected to be high on the agenda when Mr. Roh makes a state visit to Washington at the beginning of July.

The former general also described himself as "a voice urging the exercise of patience" as Seoul has been gripped in recent months by some of the most intense and violent student demonstrations since 1987, when millions took to the streets to force direct presidential elections.

But Mr. Roh (whose name is pronounced "no") said that his government's display of force against the demonstrators, and its recent roundup of prominent dissident leaders, were justified.

"To let the demonstrations go on would be to drive the society into chaos," he said.

He repeatedly denied accusations from human-rights groups that Seoul's jails are still filled with prisoners of conscience.

Looking relaxed and animated, Mr. Roh described the regime of Kim Il Sung, Pyongyang's aging leader, as a government suddenly "worried about the survival of the North Korean system."

He said he believed that was behind the North's surprise announcement several weeks ago that it would reluctantly drop its opposition to the two Koreas separately entering the United Nations, where they have been only observers since the end of the Korean War 38 years ago this summer.

Previously, North Korea had insisted that only a single Korea, under North Korean control, could become a United Nations member, but it was forced to accede once it became clear this spring that the Soviet Union and China would no longer block separate admission for the South.

"Kim Il Sung has to worry now about the survival of the North Korean system," Mr. Roh said, describing the UN decision as a "positive move" that indicates a fundamental change in the North's thinking may be taking place.

But he seemed more cautious about North Korea's assurance to the International Atomic Energy Agency that it planned to sign, by September, an agreement to allow international inspection of all of its nuclear installations.

The agreement would presumably allow the West's first look at a complex at Yongbyon, north of the capital, that the United States and Japan have described as a processing plant for making bomb-grade nuclear fuel.

North Korea signed the Nuclear Nonproliferation Treaty in 1985, obliging it to allow full inspection of its nuclear installations. But so far it has resisted, saying that the United States must first remove all of its nuclear weapons from the South. In recent days, different North Korean representatives have issued conflicting statements about whether Pyongyang is now willing to drop that condition.

There have been growing calls in the United States for a rethinking of U.S. nuclear strategy on the Korean Peninsula.

But Mr. Roh said that would be useful only if the Soviet Union, China and the United States agreed on a nuclear-free pact for all of Northeast Asia.

"Deterrence of North Korea's efforts could come first," he said.

Asked if South Korea might restart its nuclear development program, or seek to destroy the North's nuclear capability — a suggestion that South Korea's defense minister made and immediately retracted a few months ago — Mr. Roh declined to rule anything out.

He repeated his offer to meet Mr. Kim "at any time of the North's choice."

But it seems unlikely that such a meeting will take place anytime soon, and he said that it would be a long time "before we might look at the question of one state and two separate governments."

He said that when it arrives, the United States will not be asked to bear any of the financial costs of unification.

Mr. Roh grew more stern when the topic changed to the confrontations between the riot police and students, and he rejected the suggestion that the police presence gives the demonstrators a natural target for their firebombs and rocks.

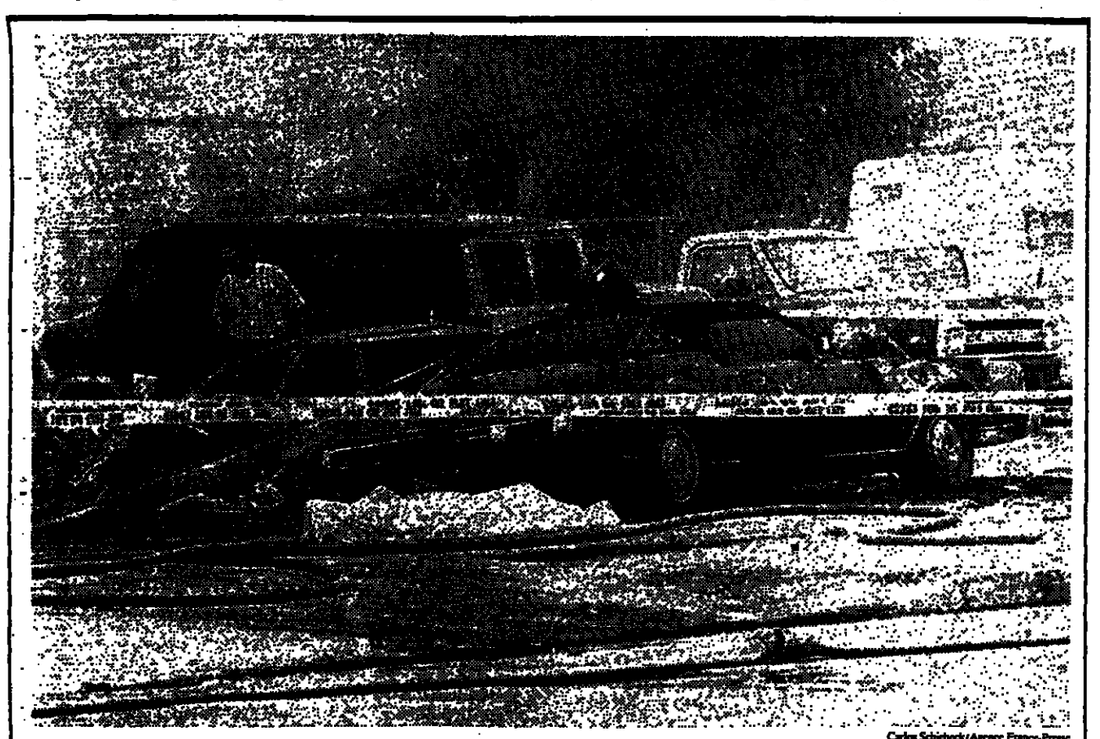
"I told people that stronger countermeasures would not be desirable," he said, adding that his "heart was broken" when he learned of a case in which the police beat a university student to death.

■ Scorn From Pyongyang

North Korea heaped ridicule on South Korea on Friday, saying large overseas borrowing by Seoul at a time when it has pledged huge sums of aid to Moscow was like a "political cartoon," Reuters reported from Tokyo.

The scornful comment by the official daily Rodong Simmun showed Pyongyang was still angry about the 1990 decision by the Soviet Union, its long-time ally, to recognize the South Korean state.

A few months after the two set up diplomatic ties, Seoul promised to lend Moscow $3 billion in economic aid.



Carlos Schiebeck/Agence France-Presse

3 DIE IN L.A. HELICOPTER CRASH — Policemen inspecting cars that were burned when a police helicopter crashed in Los Angeles, killing both officers on board and a man on the ground. The officers had reported engine trouble just before the crash.

Bases Foes Seize on Nuclear Issue As Volcano Becomes More Violent

By William Branigin
Washington Post Service

MANILA — As Mount Pinatubo continues to erupt near a U.S. air base, opponents of the American military presence in the Philippines are seeking to capitalize on fears that a major volcanic disaster could be compounded by damage to U.S. nuclear weapons supposedly stored on the base.

The U.S. Embassy here, insisting Friday that such fears are groundless, emphatically denied a British newspaper's report that the United States had issued a "nuclear alert" at Clark Air Base after officers there ordered servicemen to evacuate and informed the Pentagon that they were "abandoning the base to nature."

The story in The Guardian newspaper, which was written by a Filipino reporter and widely disseminated in the Philippines, alleged that nuclear-tipped cruise missiles had been abandoned at the base.

The U.S. Embassy said that no such alert had been contemplated or issued. "No U.S. weapons systems at Clark or elsewhere in the Philippines are endangered by the ongoing eruptions of Mount Pinatubo," the embassy said. It called the story "disinformation."

A U.S. official said no such arms are kept at the base, which is about 15 kilometers (10 miles) from Mount Pinatubo. "You don't put nuclear weapons in dangerous places," he said.

According to a British group, Campaign for Nuclear Disarmament, there has been no evidence that nuclear weapons were stored permanently at Clark, although it said standby storage facilities for such weapons exist there.

A Pentagon spokesman, Pete Williams, said Thursday that "3,300 short tons of munitions" were stored at Clark in "earth-covered igloos," but that damage to the unspecified ordnance was highly unlikely, even if the bunkers become covered with lava or ash.

Nevertheless, anti-bases campaigners have seized on the nuclear issue in an apparent effort to derail negotiations between the United States and the Philippines on a new agreement governing U.S. use of Clark and the Subic Bay naval base.

As the controversy swirled, the Philippine Institute of Volcanology and Seismology reported six new eruptions Friday, including the strongest to date.

The institute said the most violent eruption was a blast at 3:20 P.M. that sent a column of ash more than 30,000 meters (100,000 feet) into the air.

Other eruptions produced streams of boiling mud and avalanches of superheated ash, gases and fiery rock fragments that cascaded 25 kilometers down the Maraunot River west of the volcano.

U.S. officials implemented a program of "accelerated departures" to send home some of the approximately 14,500 American servicemen, civilian employees and dependents who were evacuated on Monday from Clark.

Among the places hit by ash falls have been the Subic Bay base, where Americans from Clark have been evacuated, and the San Miguel Naval Communications Station north of Subic.

While Clark Air Base has been largely untouched by the eruptions, the evacuation of all but about 1,000 U.S. security guards has shut down the base, and the presence of a huge billowing cloud of ash nearby has rendered it virtually inoperable for air traffic.

The Philippine Office of Civil Defense said the volcano had killed at least four persons and injured 24, with four listed as missing.

Lawyers Held in Contempt, for Nastiness

By David Margolick
New York Times Service

NEW YORK — The committee on civility of the 7th U.S. Circuit Court of Appeals in Chicago spent 60 pages describing the degraded state to which lawyerly manners had slipped in recent years. They could have just paraphrased Thomas Hobbes and said that lawyers are increasingly making the practice of law nasty, brutish and long.

Far more than they were a generation ago, the committee found, lawyers are rude, belligerent, manipulative and downright deceitful to one another. Briefs and oral arguments are more vituperative. And all the unpleasantness drags on and on, as lawyers grind down their opponents. Even judges have gotten into the act, using opinions to take potshots at subordinates and each other.

These are among the findings of the nine-member committee created in 1989 by the appeals court's chief judge, William J. Bauer, and headed by Judge Marvin E. Aspen of the U.S. District Court in Chicago. They were distilled from nearly 1,400 questionnaires filled out by judges and practicing lawyers in Illinois, Indiana and Wisconsin.

"We have lost sight of the fact that we are all brothers and sisters of a truly noble profession," said a lawyer who, like all those quoted in the report, remained anonymous lest the lawyer find himself, or herself, the target of still more acrimony. "We should be showing the best of the rule of law, not how to conduct a brawl."

In some ways, the problem is regional. By all accounts, lawyers from Chicago are the worst. But no one thinks these conditions are unique to the 7th circuit. The whole new vocabulary of adjectives for the aggressive style of modern litigation — "Rambo" "scorched earth," "hardball," "take-no-prisoners" — knows no geographical boundaries. A judge in Fargo, North Dakota, a place not previously noted for abrasiveness, requested 1,000 copies of the report.

The report itself has generated some harsh words from one leading authority on legal ethics, Professor Monroe Freedman of Hofstra Law School. "When you set this against the really critical problems in the administration of justice today," he said, "this kind of vacuous study is a dreadful waste of time and money and resources and talent."

Why have things degenerated? The bar is bigger than it used to be and therefore more impersonal. Competition for clients and cases has grown. Moreover, a generation of clients has come to believe "polite" equals "wimpy" or "weak."

Liberalized rules regarding discovery, or the exchange of information in civil trials, have aggravated the problem. And oddly, measures intended to sanction the most egregious misconduct have added to the strains, or, as one lawyer put it, "turned our profession into a petty society of tattletales, hall monitors and paranoids."

'We have lost sight of the fact that we are all brothers and sisters of a noble profession. We should be showing the best of the law, not how to conduct a brawl.'

A look at disciplinary dockets around the country would reveal few lawyers from large firms. But some survey respondents insisted that corporate lawyers, with their deep pockets and large armies, are major contributors to the problem.

"Many young persons entering law adopted the belief that lawyers were supposed to be rich and, lately, extravagantly rich," a respondent wrote. "The greediest of the young lawyers were attracted to large firms that paid the highest salaries. Their relentless pursuit of money (and perhaps pressure put on them by partners) has virtually destroyed their ability to develop friendships with opposing lawyers."

Lawyers complain of judges who are irritable, patronizing and resentful of their larger salaries. But if it is any consolation, half the judges surveyed pointed to problems with their peers.

"Sure, it's a problem," Judge Bauer said. "The tenor of relations among judges is set by the Supreme Court, and the increased shrillness up there has kind of filtered down. And because judges are drawn from members of the bar, it also filters up. The whole business of law has been progressively more shrill."

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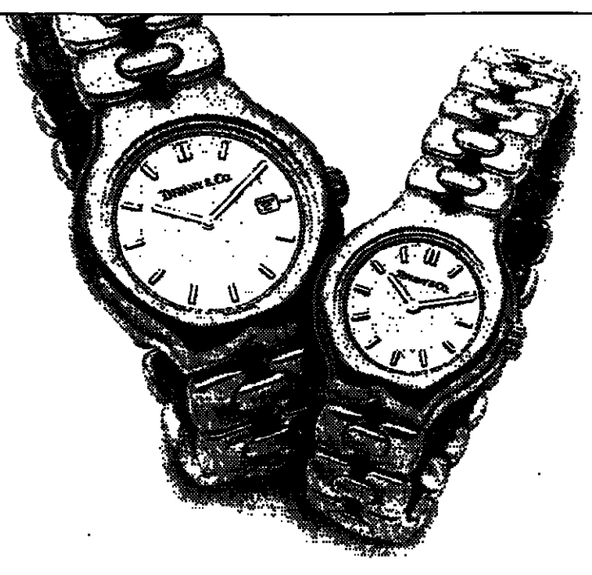

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OPINION

A Russian Revolution

Boris Yeltsin has not merely won the first competitive election in Russia's thousand-year history. The popular ex-Communist seems headed for a convincing first-ballot majority over his Communist opponents, and that would give him, beyond the new presidency of the republic, a mandate for radical reform.

The victory was expected; its magnitude constitutes a new Russian revolution. As Russians bravely lead their Soviet compatriots toward pluralism and markets, they deserve the West's applause, and support.

The Communist Party fought hard to deny Mr. Yeltsin a first-ballot victory and force a runoff. It put up a favorite son — Nikolai Ryzhkov, the former Soviet prime minister — and three other candidates in an effort to prevent a Yeltsin majority.

The party also ran a scurrilous media campaign against Mr. Yeltsin, even trotting out psychiatrists to question his stability. And in company towns across Russia, party bosses used the tough tactics of Texas border towns, intimidating voters and stuffing ballot boxes. Yet Mr. Yeltsin's blunt charisma and anti-establishment sentiments attracted and held a wide following.

He thus demonstrates his mastery of the Soviet Union's new politics — establishing the right to rule through electoral appeal.

Meanwhile, the Soviet president, Mikhail Gorbachev, remains master of the old politics, managing the bureaucracy that still runs the Soviet Union — to the extent that anyone does.

If the country is to transform itself economically and politically, the two leaders must pool their power.

The future of the Soviet Union and of Russia are just as inseparable. Russia is by far the largest and richest republic, with three-fourths of the Soviet Union's land mass, half its population and the lion's share of its natural resources. If radical reform can triumph in Russia, it can transform the whole Soviet Union.

Mr. Yeltsin will not have an easy time propelling Russia toward pluralism and markets. The rights of minorities remain precarious. The space for opposition groups to exercise freedom of speech, press and association is still confined.

New laws to institute markets are promulgated by the elected parliament but are not enforced by unelected apparatchiks.

Tocqueville once characterized elections as institutionalized revolutions. Elections are still a long way from being institutionalized in the Soviet Union, but with Russia's vote, comes the revolution.

— THE NEW YORK TIMES.

It's Real Democracy, but Yeltsin's Populism Won't Help

By William Pfaff

PARIS — The Russian Republic has had its election, but the result does little to solve its critical problems, which are the need for economic and industrial reconstruction, and for solid work. Boris Yeltsin is a populist, and populism in practice is nearly always a negative rather than constructive force, exalting the ordinary man's ideas and virtues over those of experts ("so-called experts" is the usual term), professional managers and politicians.

In view of what mainstream communism has done to Russia, and to the rest of the Soviet Union, this populist reaction is amply understandable. Russian populism has a history, though. In 19th-century Russia the Narodniki advocated the reconstruction of society on the basis of self-governing peasant communes, where the ancestral virtue of simple Russians would have full play, with Holy Russia a loose confederation of these communes. This was an intellectuals' populism, and when it went nowhere the movement degenerated into terrorism — which was logical enough. If politicians and experts are usurpers of the people's power, they have to be got rid of.

Mr. Yeltsin is not an intellectual populist, although he is an intelligent man whom many have underestimated. However, while he rightly attacks the Communist Party and the Soviet political class, he has offered no very coherent program to substitute for what they have been doing. Two of the other Russian presidential candidates, Nikolai Ryzhkov, the former Soviet prime minister, and Vadim Bakatin, former interior minister, had stronger programs; but programs were not what counted in this election. Essentially it was a repudiation of communism: Anything that followed had to be better.

The result is a further blow to Mikhail Gorbachev. From the beginning, however, he has been trapped in the dilemma that communism is both the source of his legitimacy as ruler of the Soviet Union and the cause of all that has gone wrong. He is obliged to defend the principles of the system while trying to repudiate the practice, which simply is no longer feasible. He is close to becoming a used-up man.

Democracy is no simple affair. Americans take it for granted, having had it so long, yet from the earliest American constitutional debates the recognized threats to democracy were not only a restored monarchy, or dictatorship, but also what later was called the tyranny of the majority — the populist threat.

The United States possesses its multiple constitutional and legal checks and balances, and its Bill of Rights, because its founders feared kings on the one hand, and the power of mass opinion driven by emotion and demagogy on the other. This was a preoccupation of Tocqueville's, writing on America three decades later. "Despotism," he said, "appears to be peculiarly to be dreaded in democratic times."

Simply giving people the vote does not produce useful debate on coherently formulated issues, or serious programs of common national action. One reason democracy was not much of a success before the war in the Balkans and parts of Eastern Europe was that the parties there were concerned with partisan power, not compromise, and represented static forces in society: ethnic, social or economic blocs with inflexible interests, hostile to a general interest.

In place of American and West European-style parties, which, despite their ideological and social commitments, usually debate issues on their merits, Eastern Europe had ethnic parties, peasant parties and middle-class parties, clerical and anti-clerical parties. Each stood for something uncompromisable.

A Slovak politician could yield nothing to a Czech because the Czech-Slovak relationship was considered a zero-sum game. Anything one gained, the other lost. It was the same between Serbs and Croats, Transylvanians and Romanians, Roman Catholics and anti-clerical Liberals, property-holders and peasants, the defenders of agricultural interests and those of industry.

We now are seeing a return to this in parts of the formerly Communist world — even in Czechoslovakia and Poland, where resistance to communism had in recent years produced among the dissidents a moral enlightenment and level of personal abnegation that seemed to reproach those of us in the West who are mired in the often-petty quarrels and murky compromises of democracy.

The old partisanship has come back to an extent in Hungary. It certainly is apparent in Romania. It is the dominating political feature of Yugoslavia today, drawing that country toward civil war or partition. Ethnic partisanship threatens to tear apart the Soviet Union.

The election in Russia of Boris Yeltsin was a true act of democracy in a society whose millennial experience has been only of dictators and czars. That accomplishment, however, is only a start. What follows now is what will determine Russia's future.

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Kuwait's Squalid Justice

Having been rescued from their enemies by large foreign armies, some Kuwaitis are now demonstrating their martial spirit by beating up defenseless Palestinians. With the fighting over, they are rounding up Yemeni and Iraqi residents — men, women and children alike, many of them having been there all their lives — and dumping them over the border, literally in the desert, to await the mercy of the Iraqi Army. The performance is unexpectedly squalid.

Before the war, Kuwaiti citizens lived very well off oil revenues. That made it difficult for others to obtain citizenship, and it also meant that most Kuwaitis got accustomed to long vacations. Before the war, only two of every five people living in the country were citizens. Only one of every five actually working for a living was a Kuwaiti. The others? Mostly Arabs from surrounding countries, doing nearly all the really hard work — from collecting the trash to running the oil industry and the banks. Many have spent their entire careers there and have no other homes — including most who are legally Iraqi.

Although there were many brave young freedom fighters and resisters who stayed during the occupation, Kuwait has plenty of other young men who spent the war at fashionable Mediterranean beach resorts but are now back, in uniform, boots polished and pistols on their belts, picking up suspects for questioning. Not all of the suspects survive. Kuwait's prime minister said on television a few weeks ago that the illegal arrests and torture were going to have to stop. Some might say, he acknowledged, that sons of officials, and even sons of the ruling Sabah family, were involved. But offenders would be punished, he warned, and this time he really meant it. That admonition has had no more effect than anything else that Kuwait's incompetent government has said or done.

The treatment of those who served in Kuwait's army has been particularly coarse. Some of these men had served for many years, and some put up serious resistance to the Iraqi invasion — without, incidentally, much help from their commanders. Now Kuwait is not only discharging its soldiers but throwing them out of the country.

The Saudis share responsibility for the lamentable state of justice in Kuwait. They never liked prewar Kuwait's ginger experiments with democracy, or its tolerance of free speech or its reliance on a large and cosmopolitan population of non-Kuwaitis. The Saudis see no need for Gulf states to make concessions to Western political sensibilities, evidently believing that the West needs the Gulf's oil so badly that it has to protect and enrich Gulf Arabs on their own terms. The notion is offensive and mistaken.

— THE WASHINGTON POST.

Send Them A Hardhead, Not a Buddy

By A. M. Rosenthal

NEW YORK — President George Bush's decision to make Robert Strauss ambassador to the Soviet Union is a pretty clear message: I am sending my good old buddy to make the deals with my good new buddy. That does not strike me as an inspired message to send when the Soviet Union is at a moment of change that will affect history.

It can be change that will allow the Communist system to stagger on, fed and bankrolled by the West, as Mikhail Gorbachev hopes. Or it can be change that will give the Soviet people a chance to break with a past bankrupt economically, politically and morally.

At a time like this, the president might be better off to send the toughest American expert on the Soviet Union he could find, somebody Mr. Gorbachev could not cozy up to, somebody he might worry about because he knew how to play endgame.

Maybe a real hardheaded anti-Communist labor leader like Lane Kirkland, whom the Soviet people would adore, would be best, or any Republican still around whose political range extends beyond the next dole of agricultural credits — Jack Kemp maybe, or William Buckley.

If the president wants a Mr. Democrat, how about one who actually ran for office, like John Silber, president of Boston University, whose habit of speaking as sharply as he thinks cost him the Massachusetts governorship? He would give Mr. Gorbachev a useful intellectual jolt all right.

But that is fantasy; Mr. Bush is already moving to commit the United States to the word and paper plans of his Kremlin buddy.

Still, so far the Texas buddy has been nobody's fool, nobody's. If the American people have any luck Mr. Strauss will resist being Mr. Gorbachev's — or the president's.

Mr. Strauss is helpful to people looking for friendly advice. So here is some for him. Before you appear for Senate confirmation hearings, Mr. Strauss, think about some questions that seem to have escaped the administration's attention.

1. Mr. Strauss, supporters of massive aid to Moscow say it will be conditioned on great reform. But the other day in Oslo Mr. Gorbachev proclaimed that to set conditions would be "futile and dangerous." He warned of world instability unless he gets what he wants — as Senator Daniel Patrick Moynihan put it, the bank robber holding aloft the nitroglycerin.

Mr. Strauss, isn't there a contradiction here? Doesn't it worry you?

2. Aid to the Kremlin is supposed to expand the human rights of the Soviet people. A delegation of Americans, Britons and Soviets has just reported that the Red Army is protecting Azerbaijanis who are arresting, torturing, killing and deporting Armenians living among them. Comment?

3. Lithuanians charge that the Gorbachev regime is still conducting an economic blockade against them — food often included. What has the State Department told you about this?

4. The new Soviet emigration law, which is the administration's rationale for lifting tariff restrictions, has loopholes — like extendable barriers for "security" reasons and for citizens of military age. It does not take effect for about two years. Why the great tariff hurry in Washington?

5. Economic aid will go to a government that has about 10 percent of public support and acknowledges it cannot carry out its mandate. Worse, aid will be channeled through the sticky hands of the same apparatchiks who ground the Soviet people into the dirt. Now they are battening on contracts they sign with Western businessmen and governments. Mr. Strauss, doesn't that make you a little sick?

6. Let's get to the bone. Mr. Strauss, you know that economic aid to the dying Soviet regime is really political life support for the cruel and criminally slovenly Communist system. Are you really going to tell us the United States should do that, that taxpayers should put up the guarantees, like some new cockamamie international saving and loans deal? Come on.

Mr. Strauss of course will be the president's loyal envoy. But he does not seem the kind of man who will also willingly become the president's patsy, history's clown. Good luck, Mr. Strauss, for all of us.

The New York Times.

Vaclav Havel: A New Prison for the Poetic Rebel

By Jim Hoagland

PRAGUE — Vaclav Havel the dissident playwright would have laughed at the pinking of the Soviet tank parked in a Prague street as a war memorial. But Vaclav Havel, the president, had to denounce the playful painting of the tank by parliamentarians while delicate negotiations with Moscow were under way.

When Mr. Havel catapulted from street demonstrations to the presidential palace 18 months ago, he promised to halt Czechoslovak arms exports. He also proposed the abolition of NATO and the Warsaw Pact. Today, he quietly looks for new markets for arms sales and sends his foreign minister to Washington to explore the possibility of joining the North Atlantic Treaty Organization.

And it is hard to imagine Mr. Havel the free spirit of the Velvet Revolution cooling his heels in public on orders of the awesomely arrogant advance team of Vice President Dan Quayle. But I watched Mr. Havel do just that in the spa town of Bardejov 10 days ago.

The Quayle team, acting in his name although not necessarily with his approval, wrangled bitterly with local officials who refused to dig up the cobblestones in the middle of Bardejov's centuries-old town square, so that Mr. Quayle could be photographed planting two trees there. The Americans also pressed the mayor to order 5,000 school children to turn out on a rainy day to wave U.S. flags. (About 1,000 did show up.)

"We used to have to do such things when the Russians were here," one official said. "Not now."

Security during the vice president's speech in the town's church would be "run like a concentration camp," one Quayle press aide vowed to a shocked Bardejov volunteer group. The following day Mr. Havel and two visiting dignitaries, the president of Hungary and the prime minister of Poland, had to enter the church and take seats 20 minutes before Mr. Quayle appeared because of the "concentration camp" security arrangements.

Mr. Havel made no fuss. As president, he no longer has the power to ignore official foolishness, as he did when he was a mere dissident.

The transformation of Mr. Havel from poetic rebel into something approaching a conventional chief executive is not simply a story of office and responsibility forcing change and compromise

Leading a small country with big problems narrows one's options.

on an individual. Mr. Havel was never quite as naive and idealistic as he is often portrayed. He is not shedding principles wholesale.

He is, however, discovering new realities and adjusting to them. He has learned the meaning of the American adage that all politics is local, at least when a government's program is at stake. And he has learned how severely the collapse of the Soviet Union affects his nation. The Soviet storm roaring on his doorstep has convinced Mr. Havel and his advisers that a NATO umbrella would be useful in a pinch.

Mr. Havel feels that his hands are tied on arms exports. Ending these sales would bring high levels of unemployment, exasperating the explosive nationalist sentiment already apparent in the eastern region of Slovakia, the home of many of the weapons plants. Mr. Havel is making progress in containing the separatist movement in Slovakia and does not want to risk new tensions there.

Arms production accounts for 8 percent of the nation's gross national product. Mr. Havel has turned a blind eye to a $200 million tank sale to Syria, which is going ahead despite American objections. Discussions also continue with Iran on a new arms deal.

"We are learning that Americans and others don't object to arms sales but to the markets to which the sales are made," said one Havel adviser. "We are desperately looking for new markets, for good guys who will buy our Soviet-style products."

The turn to NATO is less abrupt than it appears. Mr. Havel supported the deployment of intermediate-range nuclear missiles to Europe in 1983 and praised NATO. Despite appearances to the contrary, he has never been a peacenik.

But last year "when the outcome of the revolutions in this region was so uncertain, we wanted to get rid of the bipolar system that divided Europe," said Martin Palous, deputy foreign minister and a friend of Mr. Havel's. "That meant getting rid of NATO and the Warsaw Pact." The Havel government, like many others, was caught by surprise by the swiftness of Soviet collapse and German reunification.

"Now our priority is to find some stability, and NATO is the only structure that still works in a pan-European context," Mr. Palous added. Mr. Havel has used the new open endorsement of NATO "to make the point abroad and at home that we understand that we live in the real world." It also helps reposition Mr. Havel's more radical allies in the government toward the center for parliamentary elections next year.

Power can be a liberating experience. George Bush has used his presidency to plunge into foreign affairs on a grand scale and is having a heck of a time. Mr. Havel's experience is the reverse. As leader of a small country with little influence abroad and gigantic problems at home, he is again a political prisoner.

The Washington Post.

Social Policy: Still a Gap

American prosperity has increased substantially since 1981, but notoriously it has not benefited everyone. The great boom of the 1980s has left a lot of wreckage behind it, social as well as financial, and in the 11th year of this Republican era, President George Bush is beginning to address that.

The economics of the free market can work wonders, he said Wednesday in a speech on domestic policy, but it will not solve everything. There is a need for "a competent, compassionate government." He is cautiously taking his distance from the original Reaganite hostility to government in principle.

As presidential addresses go, this was not memorable. It began by needling Congress for moving slowly on Mr. Bush's deeply flawed crime bill, with its excessive reliance on death penalties, and on his very complex transportation bill. It is better that Congress move slowly on both. His survey of domestic policy conspicuously lacked any reference to the rapidly escalating losses of failing banks and the urgent need to build a more stable banking system. He evidently wanted instead to talk more broadly about a national life formed by the three forces of the marketplace, government "properly defined" and the ethic of voluntary service by private individuals.

That is an admirable balance. But the trouble with the speech, and with the administration's thinking on this subject, is that it does not seem to be leading anywhere. Mr. Bush mentioned the millions of people still living in poverty. After 20 years of irregular but substantial economic growth, the poverty rate is higher now than under President Nixon. One out of every five children is growing up in poverty, and except for the rises and falls accompanying recessions and recoveries, that reality has not changed for years.

Children growing up in those unhappy circumstances need, among other things, better education and better health care than most of them are getting. As an example of enlightened government at work, Mr. Bush cited his support for expanding the Head Start educational program for preschoolers. But he did not mention health care and the rising anxiety in the United States — and not only among the poor — about gaps and inequities in the present system. That is another subject that belonged in a presidential address on domestic concerns.

Mr. Bush's triad of marketplace, government and voluntary service has many applications. But neither the market nor volunteers can ensure adequate medical care for everyone. That is one responsibility that only government can undertake.

— THE WASHINGTON POST.

Iron Lady vs. Gray Man: Labor Loves a Good Fight

By Anthony Lewis

CAMBRIDGE, England — The current preoccupation of British politics is neatly summarized on the cover of the satirical magazine Private Eye. Margaret Thatcher is shown saying, "It would be very wrong for me to comment on Mr. Major's abysmal performance."

John Major has been prime minister for six months, and his biggest problem now is his predecessor. She has not openly criticized his performance. But she and her friends have increasingly conveyed the impression that they are disappointed.

Two weeks ago The Sunday Telegraph, a paper that was close to Mrs. Thatcher when she was in power, printed what it said were her words to friends: "He stands for nothing. He is gray. He has no ideas. I have been totally deceived." Her office issued a denial, but it did not persuade everyone. The words sounded like her.

Mr. Major is colorless, especially compared with Mrs. Thatcher. If she said that he had "no ideas," she meant right-wing ideas like hers. Majorism, if there can be such a thing, is not at all like Thatcherism, with its strident nationalism and exaltation of capitalism unbound.

Two of Mrs. Thatcher's hard-edged policies cost her support in the Conservative Party and led to her undoing. One was the poll tax, which substituted for local real estate taxes a head tax that hit rich and poor alike. The other was her opposition to the growing economic and political integration of the European Community.

Both of those policies were quickly changed by Mr. Major. He moved to replace the poll tax with a modified version of the old real estate taxes — known here as rates — varying according to the value of property.

As for Europe, Mr. Major took a mild tone in meetings of community leaders — a great change from Mrs. Thatcher's frequent stands as a minority of one.

Last week Mrs. Thatcher made clear that she had not changed her mind on the poll tax. In an interview with a Japanese magazine, she said the tax was needed to keep people from demanding local services without being willing to pay for them. Her comment was taken as a not very subtle crack at Mr. Major.

Then, this week, the European issue came up in a prickly way. There was a leak of a memorandum from the Bruges group of conservative members of Parliament, which opposes closer European integration. The leaked memorandum portrayed Mr. Major as a weakling on Europe. It said: "We know that the prime minister is opposed to economic and monetary union, but frightened to use his veto [in the Community] and inclined towards a compromise."

Neither of the two issues that Mrs. Thatcher and her friends seem to be pressing as differences with Mr. Major should worry him politically. The poll tax is a proved loser, and the anti-Europeans in the Conservative Party are relatively few in number.

Moreover, the European question is one that has been exhausted over decades of debate in British politics. The Little England view held by Mrs. Thatcher — that Britain can thrive in isolation from an integrating Europe — has been thoroughly discredited by economic reality.

The ironic thing is that Mr. Major made himself quickly popular on becoming prime minister by distinguishing himself from his predecessor on those issues. The public really does not want a copy of Margaret Thatcher at 10 Downing Street.

Why, then, should the air of disagreement with Mrs. Thatcher worry John Major? The answer is that British voters tend not to trust a party that is divided against itself. And these signs of division come at a time when the Conservatives are already hurting. The latest poll puts the Labor Party 10 points ahead.

In the circumstances, some think that the biggest favor Mrs. Thatcher could do her party would be to signal her departure from active politics by accepting a place in the House of Lords. A leading commentator, Peter Jenkins of The Independent, wrote:

"She owes it to [Mr. Major], if her professions of support are sincere, to take the one course available to confirm his legitimacy ... That is to announce without delay her graceful ascension to the House of Lords. This would put an end to wild notions that she dreams of a triumphant return."

Or does she dream of returning?

The New York Times.

The Kidnapper's Dream

By Harrison E. Salisbury

NEW YORK — Not many people remember China's Young Marshal, who years ago startled the world by kidnapping Chiang Kai-shek in a bold move that brought about a united front of Nationalists and Communists to fight Japan.

Even fewer may be aware that the Young Marshal, Zhang Xueliang, is alive and well and in New York City.

Having just celebrated his 90th birthday, he has embarked on a new crusade — to bring Beijing and Taiwan into a unified China.

The Young Marshal won his name when he succeeded his father, the Old Marshal, Zhang Zuolin, the Manchurian warlord who was assassinated by the Japanese in 1928.

Quixotic as the Young Marshal's unity dream seems to Westerners, not a few of his countrymen believe that he just may pull it off.

They point out that nothing is less probable than his extraordinary life.

The Young Marshal kidnapped Chiang Kai-shek at Xian in 1936 in an attempt to persuade his commander to give up civil war against the Communists and join in a national crusade against Japan.

Chiang Kai-shek agreed, but in a uniquely Chinese dénouement he made the Young Marshal his personal prisoner. Liberation came only a few months ago, Chiang and his son being dead and Taiwan now ruled by a liberal regime.

Now, as he says, "I am absolutely free to go wherever I want."

Soon he will go to mainland China.

Remarkable as it may seem, the Young Marshal's hope may not be the whim of a well-preserved nonagenarian. His effort comes against a background of gestures by Taiwan and Beijing toward closer collaboration.

The Young Marshal sees himself as a symbol of China's unity, and because of the respect with which he is held in China and Taiwan, seems to feel that his example of putting aside past grievances may work what seems to Westerners as a small miracle.

Xueliang's 90th birthday party at a Chinese restaurant in New York last week gave clues to the response he has already evoked among Chinese. Members of all the great Chinese clans attended, including Chiang Kai-shek's grandson. So did Communist Chinese officials and sympathizers.

Beijing dispatched a special "commissioner," Lu Zhengcao, party Central Committee member, military figure and parliamentarian. He served under the Young Marshal in the Manchurian army and was at his side during the famous Xian kidnapping.

One of the Young Marshal's closest friends is President Li Teng-hui of Taiwan, whom he will visit this month. "We are both Christians," the Young Marshal says. "We can talk together." But he quickly adds: "The Chinese Communist Party has been very friendly to me."

Before he leaves America, the Young Marshal hopes to see President George Bush and share with him his dream for a united China.

The Young Marshal is fond of St. Paul's saying: "I am a sinner."

He says he too is a sinner.

Many in China dispute this. They think he is a saint.

The writer, former editor of The New York Times Op-Ed page, is author of the forthcoming "The New Emperors: China in the Era of Mao and Deng."

Other Comment

Yeltsin and Democracy

Nobody doubted that Boris Yeltsin would win, but it is surprising that he appears to have garnered such a clear absolute majority in the first round of elections.

The vote for Mr. Yeltsin was largely for the politician who has won the people's sympathy in his fight against bureaucracy and sloppiness, against party arrogance and the nomenklatura. But there is also desperate hope among the people that a political "savior" can rescue Russia from its misery.

The charismatic Yeltsin — some call him a "populist" — played to all different tunes. He showed understanding for those who desire a greater Russia and paid respect to the Orthodox Church. He appealed to democrats and reform-minded Communists by pleading for a quick transition to a free-market economy.

With his election by the people, Mr. Yeltsin now enjoys more democratic legitimacy than Mikhail Gorbachev. In foreign countries, that will attract attention. But his political fate will be decided by how well he is able to fulfill the great expectations people have of him — in Russia and beyond.

— Frankfurter Allgemeine Zeitung.

Preliminary results show that about 70 percent of eligible voters participated in the elections. That figure is a bit too small.

Unfortunately, thousands of citizens failed to take part through no fault of their own. It was reported from Vladivostok that at least 10,000 sailors on stay in foreign ports were deprived of an opportunity to vote. And who will tell us where people who were on business trips in other republics could vote?

If we want democracy to be more than a game, better preparation will be needed for future elections.

— Pravda (Moscow).

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Gambling Prince

LONDON — The Primitive Methodist Conference at Northampton passed a resolution today [June 15] regretting that so exalted a person as the Prince of Wales should sanction gambling, and that he did not follow more closely in the footsteps of his father and the example of his mother. It was decided to send a copy of the resolution to the Prince direct.

1916: At the Front

PARIS — Sir Arthur Conan Doyle has just returned from a visit of several days to the French Front. Speaking to friends here on Tuesday [June 13], the author expressed enthusiasm for the French armies, their officers, organization and spirit. "The French army," he said, "brilliant as its history is, was never so magnificent as today. I visited four different parts of the front and everywhere I went I was impressed by the cool confidence and fighting spirit of the men and officers."

1941: Damascus to Fall?

LONDON — [From our New York edition]: Mopping up operations in the region of the Kissoue, twelve miles south of Damascus, were reported continuing tonight [June 14] as the invading British and Allied forces advanced slowly toward the Syrian capital. Free French patrols were believed to be operating within three miles of the city and the heavy guns defending it. A new Allied thrust was indicated in reports of an advance along the upper Litani (Leontes) Valley toward the large and important airfield at Rayak. By this move the British imperial and Free French forces threaten to cut a wedge in the Vichy defenders' front ing, however, was admitted to be sporadic, and the opinion still prevailed here that large-scale operations were being held up pending attempts by the British and Free French commanders to obtain the Damascus garrison's surrender without bloodshed.

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Besieged in Prague, Mitterrand Defends Confederation Idea

Reuters

PRAGUE — President François Mitterrand of France fought on Friday to keep alive his ideal of a European confederation of states.

"Utopia will be reality in a number of years — I won't say how many," he said in a closing speech to a meeting he co-sponsored with President Vaclav Havel of Czechoslovakia.

Participants said Mr. Mitterrand's confederation proposals were heavily criticized during the three-day conference, which brought together 170 former political leaders, businessmen and analysts from Europe, North America and Japan.

Critics assert that organizations such as the Conference on Security and Cooperation in Europe, the North Atlantic Treaty Organization, the European Community and the Council of Europe exist to unite the Continent's nations and peoples. There is no need for a confederation, they say.

But Mr. Mitterrand said that his plan was a realistic and worthwhile effort, in the post-Cold War era, "to get rid of the distance created physically and morally by half a century of separation."

He rejected assertions that a European confederation would turn the Continent against the United States, and said that a confederation would protect the fledgling democracies of Eastern Europe.

Having emerged from being satellites of the Soviet Union, "the countries of Eastern Europe are not virgin lands for new conquerors and new protectors," he said.

"The United States and the free countries of Europe have always been united," Mr. Mitterrand said at a joint news conference with Mr. Havel. "There is no reason to be separated except geographically."

Mr. Havel added, "We can hardly conceive of the future of Europe without North America."

The meeting had no powers to take decisions, and the organizers' hopes that it might at least create a secretariat to assess or organize a confederation were dashed.

But Mr. Havel, like Mr. Mitterrand, said the conference had sown the seeds of a good idea.

"It was the first small step towards a new, unified Europe," Mr. Havel said.

Mr. Mitterrand said there were many areas, such as communications or the environment, in which Europe-wide coordination still was lacking. A confederation could provide such coordination, he said.

He urged the European Community to embrace countries in Eastern Europe more quickly and more thoroughly than through association agreements that are currently being negotiated with Brussels by Czechoslovakia, Hungary and Poland.

"It would be ideal for the European Community to cover all democratic Europe," he said.

Abdellah Senna/Agence France-Presse

ALGERIAN TENSION — Islamic fundamentalists overflowing a mosque in Algiers on Friday as army troops look on. The leader of the Islamic Salvation Front, Abbasi Madani, said in a sermon that the renewed military presence at Muslim strongholds amounted to "a military coup."

FAMINE: *After the Disaster of Ethiopia's Civil War, the Children Pay*

(Continued from page 1)

international relief supplies enter, are in the hands of Eritrean separatist rebels who only entered a loose alliance with the Tigreans to defeat the Mengistu government.

International relief officials say as many as 7 million Ethiopians, or 15 percent of the population, may need emergency food assistance if substantial rains do not begin in the next four weeks or if the new provisional government is unable to establish order. More than 5,000 people have died of hunger in the last four months, aid officials say.

It does not appear that the current crisis will be as devastating as the 1984-1985 famine, which took an estimated 300,000 Ethiopian lives. But diplomats and relief officials say their efforts have been complicated by competition with better publicized disasters such as the Kurdish refugee crisis and the recent cyclone in Bangladesh.

The United Nations hopes to send its first major food convoy deep into the Ogaden region over the weekend, but aid officials said it could take months to undo what damage has already been done to children who went without food and water for days at a time.

But even in villages where security is not a problem and food arrives irregularly, hunger is an ever-present reality. In the area around the town of Babile, where thousands of villagers depend on monthly CARE shipments of wheat and cooking oil, boiled grass and raw cactus have become part of the daily diet.

"Our corn has already failed, even if we get rain," said Abdi Yuyu, a 29-year-old peanut farmer who lives in the village of Towfik. "Our sorghum crop has been eaten by the monkeys. We'll survive as long as CARE brings us seeds. Without CARE, all we have is God."

Mr. Abdi and other Towfik villagers said they were not happy about their dependence on CARE, but they blamed their misfortunes on past government policies. Towfik, a village of 1,800 people, was created by the Mengistu government as part of its "villagization program."

The peasants were forced, in 1985, to leave their small plots of land and gather in neat rows of huts that the government said would ease provision of public services such as education. But no school was ever built, and the promised potable water and electricity were never delivered.

Separated from their plots, the peasant farmers wasted hours every day hiking between their crops and their new homes. Most chose to keep their cattle and other animals near their homes, depriving their crops of fertilizers produced from animal wastes. Productivity plummeted.

Meles Zenawi, Ethiopia's acting president, pledged to foreign diplomats recently that the old government agricultural policies would be discontinued and free market policies would take their place.

But several officials in his movement, particularly those in the military wing, are believed to retain the Marxist beliefs that dominated the group's ideology for more than 15 years.

Burma Signs UN Drug Pact

The Associated Press

RANGOON — Burma has ratified the 1988 United Nations convention against trafficking in illegal drugs, an official said Friday. The accord, signed in Vienna, emphasizes public support to halt drug cultivation through such methods as crop substitution.

Summit Unlikely Before Fall

Arms Accord Is Not in Sight, Senior Aide to Bush Says

By R.W. Apple Jr.
New York Times Service

WASHINGTON — President George Bush's summit meeting with President Mikhail S. Gorbachev of the Soviet Union, originally scheduled for June, is now unlikely to take place until fall, according to a senior White House official.

The talks, which would be held in Moscow, are contingent upon a strategic arms agreement, and the official said it was not yet in sight.

If, unexpectedly, Moscow were to accept U.S. proposals in the next few days, Mr. Bush could still travel to the Soviet Union late next month, after the leaders of the Group of Seven industrial democracies meet in London in mid-July and he visits Turkey and Greece, aides said. But they described that as highly improbable.

[Mr. Bush said Friday he still hoped to have a summit meeting with Mr. Gorbachev this summer, The Associated Press reported from Air Force One as the president flew to California to make a commencement address.

["We're still hoping and trying to go forward," Mr. Bush said. In a reference to the Strategic Arms Reduction Talks, he added, "As far as we're concerned, if we can get the difficulties on START worked out, we can still have a meeting at the end of June."

[Mr. Bush also said that he had set aside time on his calendar in both late June and late July for a possible summit meeting.]

The president will be on vacation in Maine for much of August.

By indicating that the timetable was again slipping for a summit meeting in Moscow, at which Mr. Gorbachev hopes to gain further U.S. aid for the foundering Soviet economy, the White House brought new pressure on Moscow to make an acceptable arms deal.

On another Soviet issue, the White House has announced that Mr. Bush would meet Thursday in the Oval Office with Boris N. Yeltsin, who this week became the first popularly elected president of the Russian Republic.

Mr. Yeltsin is coming to the United States at the invitation of congressional leaders, so as not to embarrass Mr. Gorbachev, but a senior U.S. official said that his conversations with Mr. Bush would be substantive, not perfunctory.

Mr. Yeltsin, a populist who quit the Communist Party, now advocates much more far-reaching changes than does Mr. Gorbachev.

"President Gorbachev of course leads the Soviet Union and all the republics, and Yeltsin now becomes president of the Russian Republic," the chief White House spokesman, Marlin Fitzwater, said, trying to play down any suggestion of conflict.

"Their relationship is pretty well established by law," Mr. Fitzwater said. "We don't want to get into a comparison of the two men, but in terms of the process, this election is very important."

Although Mr. Gorbachev and Mr. Yeltsin have for the moment patched up their differences, an intense rivalry persists, and Mr. Bush, who has made clear his determination to help Mr. Gorbachev survive, does not want to seem to be favoring Mr. Yeltsin. But at the same time, he cannot appear to snub a man who has just won a stunning popular mandate.

The annual conference of the leaders of the seven most powerful industrial democracies — the United States, Japan, Germany, France, Italy, Canada, and Britain — will begin on July 15 and end with a joint briefing on July 17. Then, according to an announcement made in London on Thursday by Prime Minister John Major, Mr. Gorbachev will have lunch and meet informally with the leaders.

Thus, Mr. Gorbachev will not be an official participant in the conference.

■ Bush's Stance on Aid

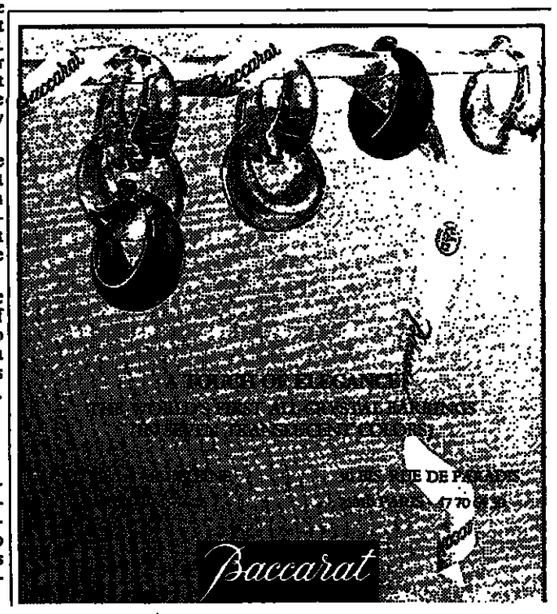
On the flight to California, Mr. Bush also said he wanted to see more economic change in the Soviet Union before he could talk about major aid to Moscow, news agencies reported.

"I think we need a reform package," he said, when asked about the Soviet economy. "After all the stories and price tags, I think there's a recognition on all sides that the best way to assist the whole reform process is to move to reform itself and then we'll see what happens."

Mr. Bush said he was pleased to grant the Soviets $1.5 billion in grain credits. "There are other things that we're moving on," he said. "But in terms of this whole reported megabuck package, I think we've got a lot of discussion to do in terms of reform. And they know that. This doesn't come as any surprise."

The president was asked if the G-7 leaders were in agreement on that. He replied, "I don't think there are big divisions in the G-7 on this," adding, "So far, nobody's sent me a letter saying, 'Hey, please write out a check for whatever it is, $150 billion.'"

Asked if the Soviets were doing enough to overhaul their economy, Mr. Bush said: "They've got horrendous problems there. But the reforms have got to be detailed a bit more before blank checks are written. And even then it would be difficult." *(AP, Reuters.)*



Smog Shuts Down Santiago

Reuters

SANTIAGO — Chilean authorities canceled school classes, restricted traffic and shut down factories in Santiago on Thursday to reduce critical air pollution levels caused by thick black smog covering the city of 4.5 million.

INDIA: *Spreading a Devil Theory*

(Continued from page 1)

that their impact on the speed and direction of the region's overall historical movement has been such as will certainly please the region's former colonial masters and those who have succeeded them as the global power."

"Violence and destabilization will objectively ensure that the developmental lag between the West and the South Asian East will remain as great as ever," he wrote.

In line with that theory, well-educated Indians have been saying again and again during the last three weeks that the CIA killed Mr. Gandhi because he was a strong leader who would have transformed India into a great world power that would have challenged the United States on the international stage.

The idea that the CIA prowls the world killing anyone who dares to defy the United States has been a staple of Soviet propaganda for decades. The Soviet line has long found a receptive audience in India, where the leftist intelligentsia has, in the past, generally seen Moscow as the lesser of two superpower evils.

But one striking aspect about the belief that the CIA killed Mr. Gandhi is that it constitutes a post-Cold War version of the old Soviet line. Now that the United States has won the ideological battle against Moscow, the theory goes, the CIA is moving on to clear new obstacles in the emerging "unipolar" or "multipolar" world by assassinating strong, independent Third World leaders.

Even some Soviet diplomats in New Delhi say they think that idea is silly. And by all indications, the U.S. government to some degree liked Mr. Gandhi. He was probably the State Department's favorite in the ongoing Indian parliamentary election because while he sometimes tweaked Washington on foreign policy, he promised bold free-market economic steps at home.

In any event, since the end of the Cold War, Washington's overriding goal on the subcontinent has been to promote political stability — which Mr. Gandhi embodied, and which his assassination jeopardized.

To these arguments, members of the Indian elite respond mainly with blank stares.

The way India's governing political class views the CIA and its motives is deeply complicated. An Indian political scientist based in the United States calls it India's "national neurosis."

For the governing elite, he said, believing that the CIA is actively plotting to kill the country's leaders serves two needs. One is their need to believe that India is an exceptionally important country subject to close U.S. scrutiny. The other is a need to deflect responsibility for the mess India is in.

For many Third World elites, the CIA has long been a convenient bogeyman because the omniscient powers attributed to the agency, as well as occasional evidence of its covert operations, can be used to justify various kinds of controls.

In India, the agency's supposed desire to take over the country has been used by New Delhi's political and business elite to justify a protectionist trade policy that bars Western corporations from competing with domestic monopolists.

But in the aftermath of Mr. Gandhi's assassination, the CIA's role in India's political imagination has been greatly enlarged. The agency is blamed for nothing less than robbing India of its future.

The question of who is responsible for the deteriorating state of the country has become unusually vivid and important here since Mr. Gandhi died. In the ongoing election, Hindu nationalists are challenging the secular ideas that have dominated Indian politics for decades. At the same time, violence and corruption are so commonplace that the electorate has grown angry and alienated.

The group most directly challenged by these trends is the same one that has been so vocal in blaming the CIA for killing Mr. Gandhi: the politicians, bureaucrats, academics and semiofficial journalists who represent India's political status quo.

LIST: *U.S. to Purge Register of 'Undesirable' Aliens*

(Continued from page 1)

not know of the existence of the list, that their names were on it or why.

The list was compiled by State Department officials in Washington and in embassies and consulates around the world, based on information provided by other governments as well as their own observations.

In addition to the 250,000 "political undesirables," the list also includes the names of about 100,000 people cited for national security and foreign policy reasons, said Arthur C. Helton, the director of the Lawyers' Committee's Refugee Project, a public interest group committed to removing the names.

These people will continue to be listed because they may still be excluded under the immigration law.

Interviewed by telephone from Geneva, Mr. Helton said the list had grown rapidly in the 1980s, to 367,000 names from 100,000, at a time when the Reagan administration was especially hostile to people with leftist political views.

Of the 367,000, 69 percent were for ideological reasons, he said.

Mr. Helton said another list included the names of 3 million criminals, immigration violators, drug traffickers, prostitutes and those with certain health problems. These names will remain on the list.

The State Department agreed to support the bill after the Senate committee accepted a proviso that would enable the secretary of state to retain an alien's name on the list by certifying that there was a compelling reason to do so, including the individual's statements, beliefs and political associations. The compromise was worked out by the American Civil Liberties Union and Senator Daniel Patrick Moynihan, Democrat of New York, the chief sponsor of the Senate bill.

A State Department official, who asked not to be identified, said "We've been in agreement pretty much all along."

Jeanne M. Woods, the ACLU's legislative counsel, said: "We negotiated a compromise that everybody can live with. It allows them to maintain certain names on the list of people not excludable under the new law."

The Immigration and Nationality Act, known as the McCarran-Walter Act, was passed in 1952 over the veto of President Harry S. Truman.

In that period, conservatives said the measure was needed to protect American citizens from subversive ideas, mainly communism.

The ideological restrictions were modified in 1977 to give the secretary of state discretion. But the law still barred the entry of many people for ideological reasons. The restrictions were temporarily lifted in 1987 and 1988, and permanently repealed last year.

The State Department said it would take up to three years to purge the list of those cited for ideological reasons.

A Senate aide, who asked not to be identified, suggested why the bill enjoyed broad bipartisan support. The list cut all ways, the aide said, and discomfitted everyone.

"Jesse Helms doesn't like the list because they used it to keep out Roberto d'Aubuisson" the aide said, referring to the rightist Salvadoran leader. "Moynihan doesn't like it because they used it to keep out Farley Mowat."

DUTCH: *In Search of New Image*

(Continued from page 1)

nology. Even though windmills are making a comeback as a clean power source, the modern, slim-line version is not generally considered a grand enough symbol.

What the new emblem of Holland could be is a wide-open question.

"We should finish with this nonsense of the finger in the dike," said Mr. van Gasteren, the filmmaker. The fairy tale devalues an elemental Dutch triumph, he believes.

"In my view it should be something connected with water and dikes," said Mr. Bus at Holland International.

Suggestions the tourist board has received range from a transparent dike to a giant windmill made of glass and filled with water. With cost in mind, the board says it is also open to simple suggestions using existing features, like the canals of Amsterdam.

Dutch traits — for instance, liberalism and progressiveness — could also be conveyed by the new idea, Mr. Rijnja said. But this is a sensitive area, because outsiders have mixed feelings about Dutch laissez-faire policies on prostitution and drugs.

The issue is further complicated by some strong arguments against finding a new symbol at all.

In London, the Japan Tourist Office is also skeptical: "I don't know that the high-tech idea is such an attraction," said Simon Halewood. "The Japanese come to Europe to see Old Europe. In Japanese eyes, it's very much the tulips and windmills, I'm afraid."

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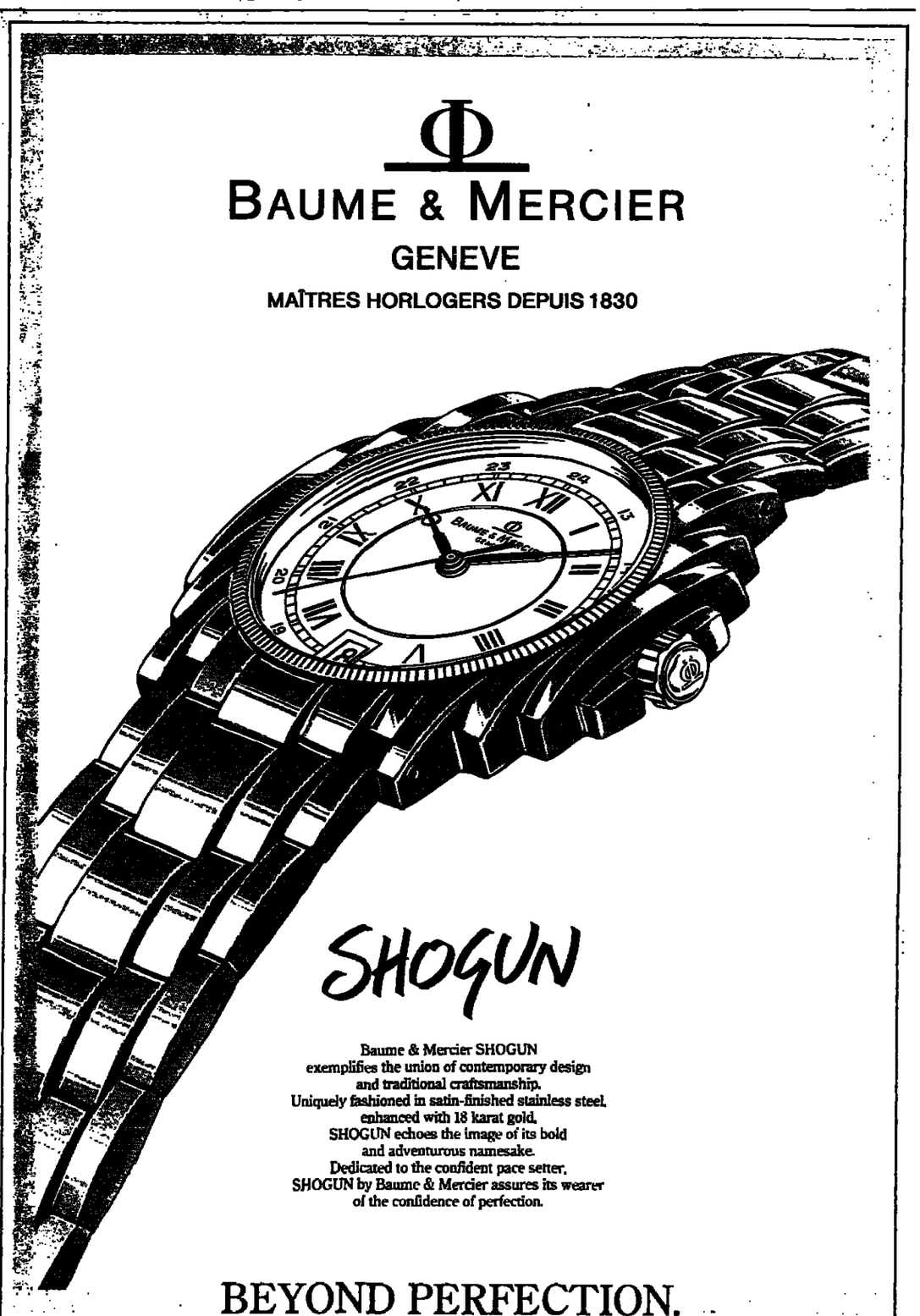

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ART

The Odyssey of Joyce and Cage

By David Stevens
International Herald Tribune

ZURICH — One of the more accessible of John Cage's ideas is that the arts are not isolated from one another, and that one art may venture into new territory by picking up an idea where another discipline has left off. His own career, going on six decades of serious philosophy hiding behind a facade of amiable lunacy and consummate showmanship, is ample proof.

Another constant is Cage's cross-pollination with practitioners of other disciplines — among them the dancer and choreographer Merce Cunningham, the artists Jasper Johns and Robert Rauschenberg, the Dada artist and electronic chess companion Marcel Duchamp, and many musicians who have performed his music, or non-performed his nonmusic.

A writer Cage has repeatedly confronted in his music is James Joyce. The Zurich June Festival had the idea not only of marking the 50th anniversary of Joyce's death in Zurich — where he also had lived during World War I and wrote much of "Ulysses" — but of extending the idea to include a John Cage festival. It would be hard to think of two artists of this century who have done more to break through horizons and create a permanent avant-garde.

A graphic Cage vocal score.

The Zurich Opera has an honorable record of championing 20th-century works, but it can rarely have put on such anarchic proceedings as Cage's "Europeras" 1 and 2, a gigantic operatic collage using arias and snatches of other music from the standard repertory. Performers in familiar operatic costumes sing, move or are moved; a conductorless orchestra of soloists emits familiar bits of music in unfamiliar instrumentation. No one element relates to any other, the arias do not go with the corresponding costumes, the lighting is seemingly random, stagehands come and go, or break into dance. The sets are mainly flats with fragmented portraits of composers, singers of the past, pictures of opera sets, animals.

A soprano sings Mozart's "Vedrai carino" suspended from the flies. Another sings Musetta's waltz at half speed while climbing fully clothed into a bathtub and flicking the water out with her feet. A bass dressed like the pope sings Rossini's aria in praise of calumny. A character dressed like a monk sits in the front row of the auditorium, then leaps up to join an onstage soprano in a "Traviata" duet. For those who like to know what is going on, mimeographed "synopses" are available, unrelated sequences of plausibly operatic nonsense.

A singer appears in a succession of costumes but never sings, while a notice posted in the corridors announces that she is indisposed and cannot sing but will act out her role anyway: Is this an explanation or part of the joke? A hurdy-gurdy grinder has a sign on his instrument reading "Pupil of Puccini." At the end a good-sized, remote-controlled dirigible sails from the stage out into the auditorium. On its sides are written "Nohopera."

The proceedings are controlled by a large clock on the stage wall. "Europera 1" lasts an hour and a half. No. 2 has just about as many "events" but they are packed into half the time. The degree of hilarity probably is in direct proportion to the degree of operatic literacy brought by the onlooker.

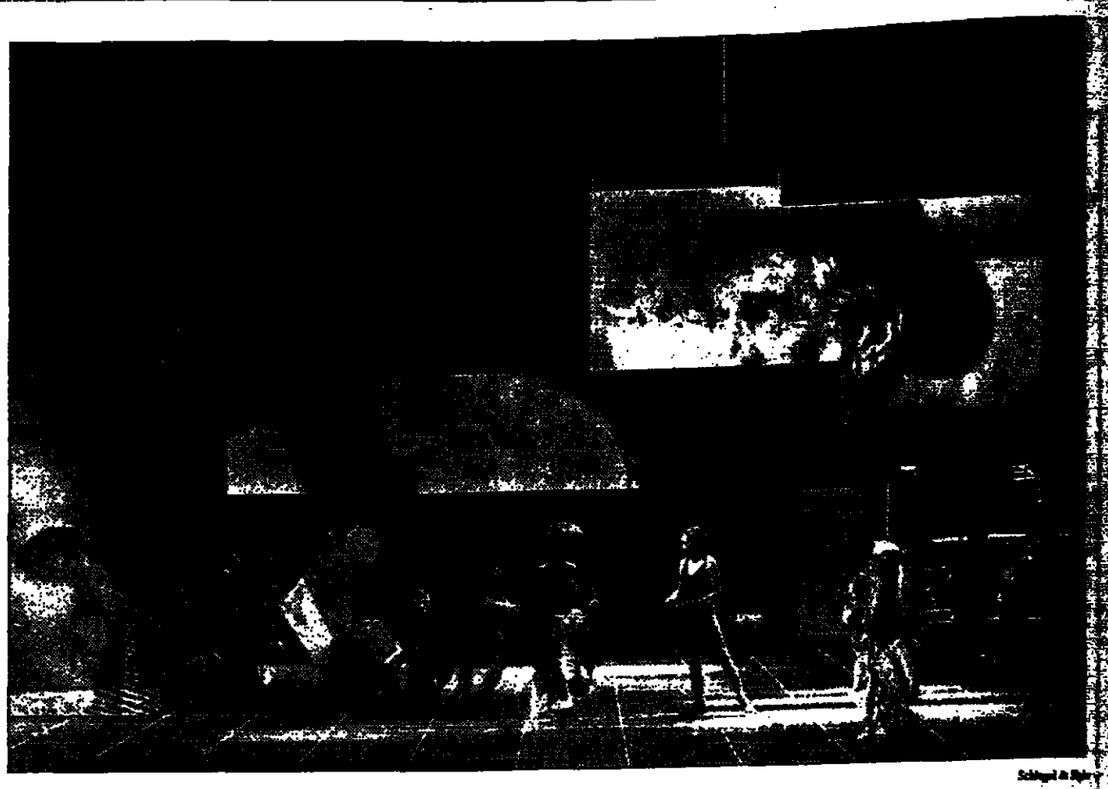
No such preparation is needed to get pleasure from the exhibition devoted to Cage at the Kunsthaus, Zurich's leading art museum. Many of his musical pages are exquisitely enigmatic calligraphies, and his scores often contain graphic symbols and words or lettering.

There are a number of graphics; a 1990 series called "River Rocks and Smoke" are "watercolor and smoke on paper" (and that's just what they look like); a number of pencil drawings are inspired by the Ryōan-Ji "empty" stone garden in Kyoto; manuscripts, scores, photographs and other visual aids testify to Cage's protean variety. The exhibition continues until Aug. 18, supplemented by one at the Stähli Gallery through July 8.

Performances of the "Europeras" run through July 2. From June 20 to 25, the Merce Cunningham Dance Company comes to town with two programs, new works by Cunningham, music by Cage, dedicated to Joyce. The numerous Cage musical programs include several first performances, and the composer, who will be 80 next year, even is to appear as a performer in "Muoyce" (i.e. "Music" + "Joyce"), for voice and electronics (June 30). Other concerts concentrate on "composers around Cage" — Christian Wolff, Morton Feldman, Earle Brown among them.

As for Joyce without Cage, major events include an exhibition at the Museum Strauhof (to Aug. 4) and a production of "Exiles" at the Schauspielhaus, staged by Peter Palitzsch, opening June 22. Joyce's works inspired a number of other composers, among them Hermann Reutter and Matyas Seiber, and the baritone Dietrich Fischer-Dieskau will give the first performance (May 31) of Aribert Reimann's "Shine and Dark," also of Joycean inspiration.

Periodically during June, the Zurich public transit system is running a James Joyce Tram Tour, both in English and German, a 90-minute trip through Joyce's Zurich, with readings, song and wine.



Schlegel & Ruhr

A scene in the Zurich Opera's production of John Cage's "Europeras" 1 and 2.

Record for American Declaration

By Eleanor Blau
New York Times Service

NEW YORK — The sale of a first printing of the U. S. Declaration of Independence set a record for printed Americana when it was sold for $2,420,000 at a Sotheby's auction.

The Declaration was the last and most dramatic sale of a three-hour session that included an early printing of Columbus's letter to Ferdinand and Isabella reporting his discovery of America, letters by Dwight D. Eisenhower to Kay Summersby, with whom he is said to have been linked romantically, and the original autograph manuscripts of all the major works by the South African writer Alan Paton.

David Redden, the auctioneer, who is a senior vice president at Sotheby's in Manhattan, said that the price paid for the Declaration "was far and away the highest price for historical Americana ever."

The buyer was Donald J. Scheer of Atlanta, president of Visual Equities Inc., a year-old fine arts investment firm.

The price was well over the $1,595,000 paid for a copy of the Declaration at Sotheby's in January 1990.

The copy sold Thursday is a crisp, clean broadside, creased along lines where it had been folded. It was printed by John Dunlap on July 4, 1776, to carry news of America's independence to the citizens of the 13 colonies. It is one of 24 known copies of the Declaration, and one of only three remaining in private hands.

The previous owner, who was not identified, had told Sotheby's he bought a torn painting for $4 in a flea market in Adamstown, Pennsylvania, because he was interested in its frame. When he got home, he said, he removed the painting — a dismal country scene — and concluded the frame could not be salvaged, but found the Declaration, folded and hidden in the backing. He showed it to Sotheby's experts earlier this year.

Redden said he thought the man would be "rather stunned" to learn the price it had brought.

The letter by Columbus, printed in 1493, was sold for $440,000 to William Reese, a dealer from New Haven, Connecticut, who said he bought it for someone else.

A copy of a telegram from General Eisenhower announcing the end of World War II, inscribed and signed to Summersby, an Army officer who was his driver during World War II, was sold for $29,700 to Myron Kaller, a book dealer from Asbury Park, New Jersey.

A letter to Summersby in which the general asks "How about lunch, tea & dinner today?" was auctioned for $12,100 to a woman who said she had bought it for the Forbes Magazine collection.

Paton's manuscript of "Cry, the Beloved Country," the novel about racial injustice that launched his literary career, was sold for $132,000.

[It was later reported the purchaser was Harry F. Oppenheimer, former chairman of the Anglo American Corporation of South Africa.]

A South African film producer, Anant Singh, who said he owned movie rights to the novel and was doing a film on it, tried to bid for it by car telephone as he drove from Pretoria to Johannesburg. But connections went awry, though he was able to buy two other Paton manuscripts. "Cry, the Beloved Country" is "the most important literary work to come from South Africa" and should rest in that land, Singh said later, from a telephone working perfectly. "I hope the buyer brings it here."

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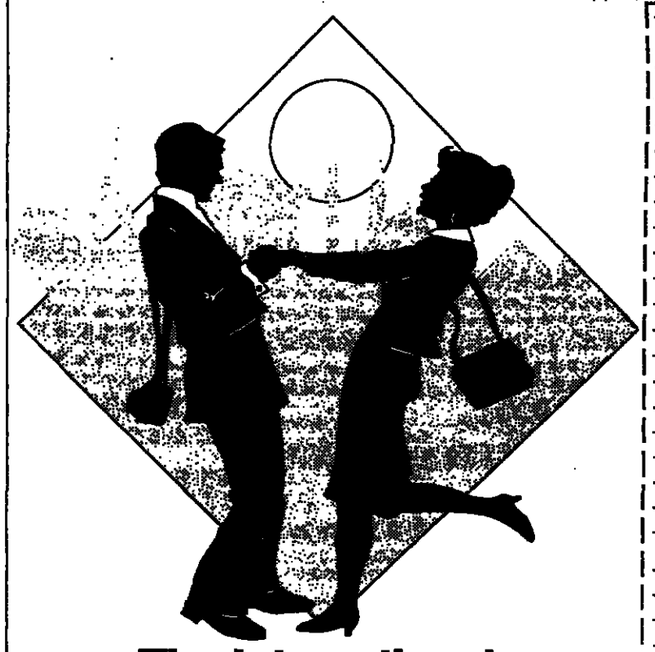

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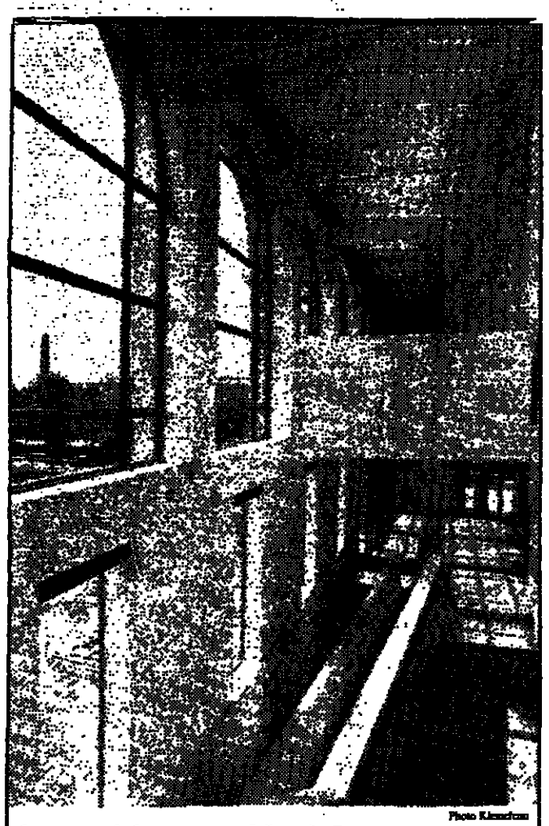


Photo Klaushaus

Interior of the renovated Jeu de Paume.

A New Look For Jeu de Paume

Thoroughly Modern Museum

By Michael Gibson
International Herald Tribune

PARIS — The renovation of the Jeu de Paume museum in the Tuileries gardens was finished just on schedule for its official inauguration on Monday evening by President François Mitterrand.

No longer the haven of Impressionists masters, who have found a new home across the Seine in the Musée d'Orsay, the Galerie Nationale du Jeu de Paume will henceforth be devoted to shows by contemporary artists.

The remodeling of the building has left its outer shell intact, so as to preserve its symmetry with the Orangerie on the other side of the gardens. Inside, the architect Antoine Stinco replaced the floors and walls with a structure that is both pleasant and unobtrusive.

The building's interior has been divided into two levels providing 1,600 square meters (17,000 square feet) of exhibition space, the upper floor being lit by skylights.

The first exhibition, opening to the public Thursday and running through Sept. 22, is devoted to the late Jean Dubuffet. As Alfred Pacquement, the museum's new director, points out, Dubuffet is perhaps the only French artist of recent decades to have achieved a first-rate international reputation. His last big exhibition in France was in 1973.

The Jeu de Paume show consists of 110 paintings, 90 drawings, 10 books and a sculpture that will be set up in the Tuileries gardens. All of the works were done during the last 10 years of the artist's life. (He died in May 1985.)

Subsequent exhibitions, Pacquement says, mostly will be devoted to living artists, including Pierre Dunoyer, a French painter who has been working outside the commercial circuits of art since the late '70s; the American sculptor Robert Gober, and the Chilean exile Raoul Ruiza, with a video installation.

Later shows will include a Marcel Broodthaers retrospective; works by Ellsworth Kelly painted during his years in France; photographic friezes by Suzanne Lafont; works by the Brazilian artist Helio Oiticica and, in the autumn of 1992, a Martial Raysse retrospective.

On July 2, the museum will open its projection room, which will screen the works of experimental film and video artists. The first show will be film works by Samuel Beckett.

Rewriting Chapters of Chinese Art History

International Herald Tribune

LONDON — Nothing is quite so surprising as a major discovery in a much researched civilization. Modestly advertised, a series of Chinese art shows staged as selling exhibitions by five London galleries drastically renews our understanding of the greatest art in the Far East.

The most breathtaking by far, at Eskenazi, 166 Piccadilly, until July 5, focuses on inlaid bronzes and precious metal objects from the fifth to the first century B. C. There is a world of difference between

SOUREN MELIKIAN

seeing one or two pieces at wide intervals in museums, and seeing a wealth of 70 works as is the case here, particularly when most have never been shown in public before.

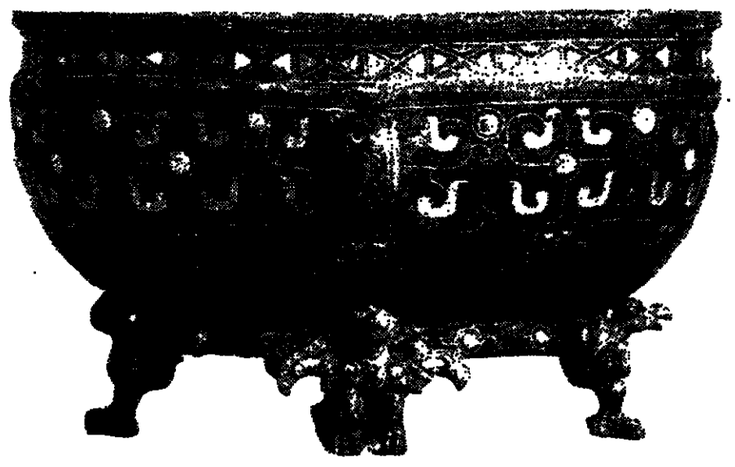
Reluctant as one may be to rejoice at the sight of what dealers themselves say is the product of illicit digging — in effect, destructive looting with the ensuing loss of archaeological documentation — tolerated by Chinese authorities, the art lover is nonetheless overwhelmed by the most stunning exhibitions of Chinese art in years, even in museums.

While the last two decades have accustomed us to the idea that the history of Chinese art must be rewritten following the discovery of dozens of new sites and, literally, thousands of excavated works of art, the aesthetic point has been lost in the traveling exhibitions to the West. The selections were so diverse and haphazard in quality that they projected no precise image. No one, not even in China, had been confronted until now with this dazzling pageant of the new art characterized by linear patterns in gold and silver that came into being when the Far East discovered techniques and ideas brought in from the Iranian world via the Asiatic steppes. They transformed the Chinese heritage by introducing a crisp rhythm and a new sense of color.

ONE of the masterpieces is a bronze wine vase of the fifth or sixth century B.C. with a bulbous body gradually tapering into a short neck. Broken into horizontal panels by grooving, it is covered with bands of linear motifs — gold in the central area, silver above and below. The repeat pattern of stepped lines rising from right to left gives the vase a lightness and rhythmical alacrity suggestive of some musical score. Sold by a famous Tokyo dealer, Takashiyama, to a little-known private museum, the Nagao Art Museum, it had never been seen in the West. It was snatched at the private viewing on June 11 by a Swiss collector, reportedly for £500,000 ($820,000).

Utterly unknown until now, a pair of oval vessels, probably dug up within the last two years, is even more extraordinary. Their turquoise studs and abstract gold motifs which conjure up the image of confronted birds have no exact parallel. The vessels rest on oval rings supported by four stylized birds, a Middle Eastern idea radically transformed by the Chinese interpretation.

By far the most astonishing discovery to cultural historians is a third or second century B. C. tubular chariot fitting covered with four bands of landscape and scenes inlaid in silver and gold. It is a near match to another fitting excavated at Sanpan Shan in Hebei, of which there was a fleeting glimpse in the Chinese traveling exhibition in Europe and America several years ago.



Bronze, gold and silver tubular chariot fitting showing a peacock as a royal symbol, left, and one of a pair of oval bronze, gold and turquoise vessels.

In 1984, a scholar explained the motifs by drawing on Chinese myths as a "record of omens." In fact, when studied at close range, they reveal a thoroughly sinicized version of the royal hunt of Iran. In one band, an archer in full gallop turns back to deliver a "Parthian shot" at a leaping tiger. In another, a footman brandishes a spear at a trotting elephant. In a third band, peacocks, the royal birds of Iran, strut in a park. In the fourth, a leopard lurks behind a rock, a bear lumbers on and a dromedary ambles through the plain.

That the royal symbolism of such a hunt was fully understood in China is demonstrated by the location of the properly excavated fitting found in Hebei. It turned up in the tomb of Prince Kang, of the Zhongshan rulers, buried in 90 B. C. This is the first intimation that Han China borrowed from Iran themes that we thought had only traveled there six or seven centuries later. No wonder a collector paid more than $1 million, the figure quoted by a dealer, to get this object unmatched in Western museums.

FURTHER revelations may be seen at the Grosvenor House antiques fair until June 22, on the stand of Christian Deydier, who displays among other things, 12 bowls and caskets in silver and gold carrying dated dedication inscriptions ranging between A. D. 1024 and 1028. This is about three times the amount of dated metalwork with Chinese associations to be found in all U.S. museums put together.

What makes this group fascinating is that it was executed under the Liao dynasty which arose from the Kitan, a non-Chinese people. Archaeology has shown that they had a distinctive culture influenced by the heritage of Tang China. So far their art was known mostly through pottery and isolated precious artifacts associated with royal tombs.

Last year Deydier displayed the first group of five silver or gold vessels from what now appears to have been a huge find uncovered four years ago. This year, the 12 new pieces he has acquired include a gold belt. Its long dedication inscription not only names an official who is mentioned in the "Liao History" written down in the 14th century, but identified the location, which is given its ancient name, Wuding. One of the two scholars who read the inscriptions for Deydier, Ming Wilson, says that the wording leaves no doubt that the objects were dedicated to a shrine, which is characterized on the belt as "mobile."

Looked at closely, the vessels are quite different from Chinese silver, whether Tang or Song. The figural style is sketchier, the composition bolder and clearer. Even the working of the metal is not the same — the thicker and harder silver sheet feels closer to Middle Eastern silver. Could Liao silver and gold represent a separate derivation from some common source with Tang silver? As pieces from the same find continue to turn up, further clues may be found. Deydier says a few others have already drifted here and there in the past three years and he just missed one in Hong Kong.

More surprisingly, the later periods of Chinese art turn out to raise almost as many problems. Currently on view at Sydney Moss Ltd., 51 Brook Street, until July 5, are 101 bronze vessels, implements and a few bronze figures, from Song to Ming times, about which surprisingly little is known. The catalogue written by Paul Moss and Gerard Hawthorne takes scholarship several steps forward by publishing new pieces, some with signatures. More than 80 of the 101 objects were hitherto unknown. Some, such as the beautiful oval bowl of the 16th or 17th century, despite its Xuande mark, show how deeply unjustified is the contempt in which most Western connoisseurs still hold them.

Others raise riddles. A small vase of square section with a fluid shape that tapers gently as it rises has a remarkably Song feel, judging from porcelain shapes. The panels of gilt lotus plants reserved on the sides have however led some to conclude that they belong to the Tang period (618-906) because of the similarity to painting in the Tang style. But is this not a case of Song revivalism? Or even continuity? Only future finds will help settle such problems.

Meanwhile, Miranda Rothschild adds a few more touches to the complex picture of the later periods. Her exhibition at Ormonde Gallery, 156 Portobello Road, through June 30, focuses on Buddhism and includes Song and Yuan vases, even pieces of jewelry, which few would dare to date without allowing for a 100-year error margin. Whichever period it should be ascribed to — presumably Song — a vase decorated with flying cranes picked out in gold on the patinated brown ground must be one of the week's great bargains at £1,450 — sold, you needn't rush.

NO such soul-searching questions will be asked about "Nineteenth Century Mark and Period Porcelain" to which S. Marchant and Son, at 120 Kensington Church Street, devote the first exhibition ever anywhere. Like Sydney Moss, they have published a hardcover catalogue that will stay as the reference book for quite some time. The feeling of novelty combined with the display of scholarship goaded collectors. Within the first few hours, a third of the pieces in value were sold.

In a single week, the London trade has scored heavily against the auction houses. Eskenazi's £6.7 million sale of 45 pieces out of 70 — 84 percent in value — already dwarfs Sotheby's and Christie's. Together the two auction house sales this week add up to less than a third of that. More surprisingly, the trade has also outdone museums: Eskenazi, Deydier, Moss and Marchant show three or four times as much new material and tell us more than any museum exhibition in the last decade.

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AUCTION SALES

auction sales
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Sunday, June 16
Rooms 5 & 6 at 2:30 p.m. IMPORTANT MODERN PAINTINGS AND SCULPTURES including: BUFFET, CAMOIN, FOUJITA, FRIESZ, GERNEZ, HELLEU, JONGKING, LEBOURG, LIPCHITZ, LUCE, MATISSE, MAUFRA, MOSSA (6 works), PICABIA, PRINS (19 works), RENOIR, SERUSIER, THAULOW - Me LOUDMER. 45, rue La Fayette, 75009 Paris - Tel.: (1) 48.78.89.89 - Fax: (1) 48.78.91.00.

Monday, June 17
Room 2 at 2 p.m. MANUSCRIPTS & LETTERS, FIRST EDITIONS, ILLUSTRATED BOOKS - BINDINGS mainly from the collections of Raymond QUENEAU et Jean-Jacques PAUVERT. IMPORTANT SET OF ILLUSTRATED BOOKS BY André MASSON. Me LOUDMER, 45, rue La Fayette, 75009 Paris. Tel.: (1) 48.78.89.89 - Fax: (1) 48.78.91.00.

Thursday, June 20
Rooms 5 & 6 at 2:15 p.m. RARE GROUP OF VASES IN VINCENNES SOFT CHINA AND SEVRES, XVIIIth century from the Baron Gustave de Rothschild collection. OLD PAINTINGS, FURNITURE AND OBJETS D'ART - Mes COUTURIER-NICOLAY, 10, rue de l'Université, 75007 Paris. Tel.: (1) 49.27.02.14 - Fax: (1) 49.27.02.75.

Saturday, June 22
Rooms 1 & 2 at 2:30 p.m. 30's, 40's, 50's AMERICAN RADIOS EXCEPTIONAL COLLECTION. Me BOISGIRARD, 2, rue de Provence, 75009 Paris. Tel.: (1) 47.70.81.36 - Fax: (1) 42.47.05.84.

Monday, June 24
Room 10 at 2 p.m. MODERN PAINTINGS. VIENNA BRONZE STATUES, ART DECO, FURNITURE and OBJETS D'ART. Mes DELAVENNE-LAFARGE, 12, rue de la Grange-Batelière, 75009 Paris. Tel.: (1) 47.70.45.96 - Fax: (1) 45.23.18.92.

AUCTION SALES

Gabus
SPECIAL AUCTION SALE OF PAINTINGS AND SCULPTURES
at the Hôtel Président, Geneva.
Sale: Sunday June 23rd, 1991 at 10 a.m., 2 p.m. and 8 p.m.
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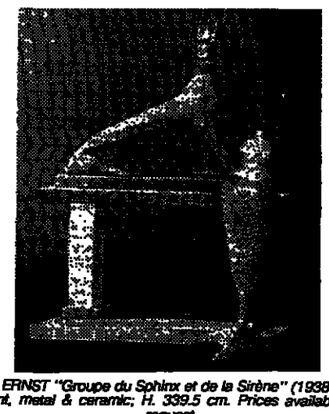

MAX ERNST "Groupe du Sphinx et de la Sirène" (1938-1939) Cement, metal & ceramic; H. 339.5 cm. Prices available upon request
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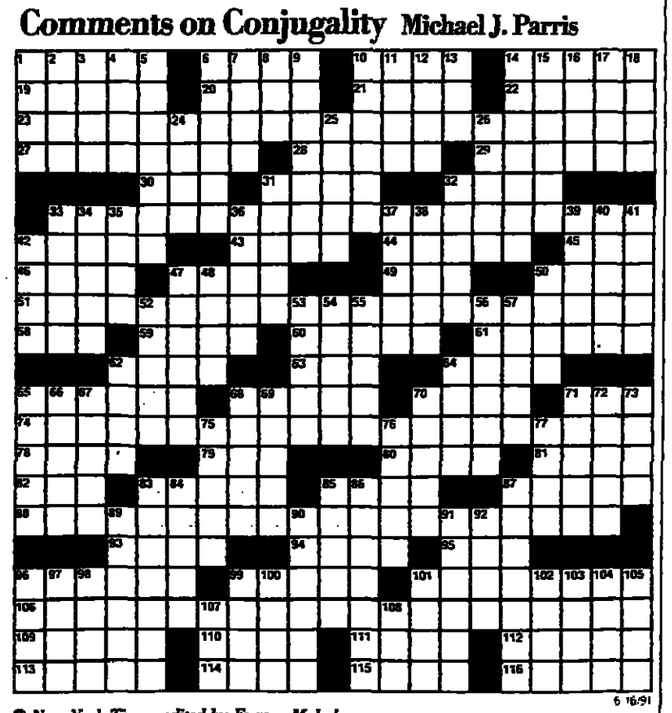
Comments on Conjugality Michael J. Parris



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6 Imarets
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14 Senegal's capital
19 U.S. rocket stage
20 What a swain presses
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73 "Judith" composer
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87 Used a cupel
89 Certain elongated snails
90 Cantankerous
91 Nullify
92 Sullen
96 Briton or Breton
97 Take —— (say "I do")
98 Last of a Caesarean trio
99 Nephrite
100 Privy to
101 Kin of P.D.Q.
102 Depend (on)
103 Actor Dixon
104 Spanish movies
105 Auto pioneer
107 Dactyl or hallux
108 Poseidon's domain

Solution to Last Week's Puzzle

A	S	P	S		S	E	R	A	C		T	H	A	N	E		S	P	A
B	L	O	W		P	R	A	D	O		R	A	V	E	L		P	E	S	D
C	O	L	E	P	O	R	T	E	R		I	L	O	V	E	P	A	R	I	S
S	T	E	E	L	I	E	S		S	W	O	O	N		V	I	C	U	N	A
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T	E	E	N	S		Y	O	U	R	E	T	H	E	T	O	P		B	O	A
A	G	A	S		L	E	T	S				A	V	E	R		P	R	I	G
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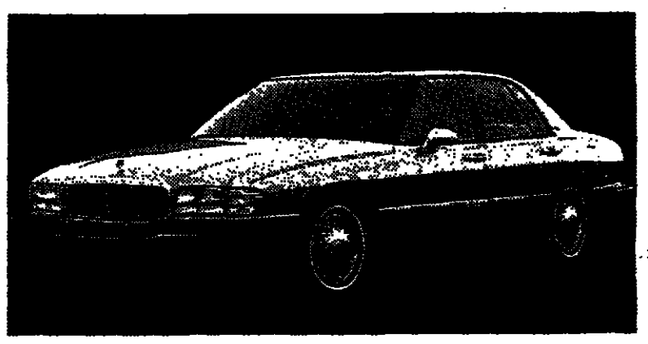
			B	I	N	S		M	A	R	I	S			T	O	O	T		
S	E	A	D	O	O		W	I	D	E	N		A	R	O	M	A	T	I	C
K	I	S	S	M	E	K	A	T	E		E	A	S	Y	T	O	L	O	V	E
I	N	T	O		R	I	D	E	R		S	W	I	S	H		K	L	E	E
B	O	N		S	T	I	N	S		T	E	S	T	S		S	A	S	S	

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Luxury has been redefined.
The new Buick Park Avenue.



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(Continued on page 11)

International Herald Tribune
BUSINESS/FINANCE
** SATURDAY-SUNDAY, JUNE 15-16, 1991

ECONOMIC SCENE

The Economist as Bookie: Giving Odds on Recovery

By Leonard Silk
New York Times Service

NEW YORK — Economists once thought that by using computers and large-scale econometric models, they could develop tools for more accurate forecasting. But such hopes have given way to the more humble belief that the best they can do is to state what they think are the odds on various possible developments, or "scenarios" in the current economic jargon.

The problem of macroeconomic forecasting has been made even more difficult by the complex interactions between national economies and the world economy.

Rudiger Dornbusch of the Massachusetts Institute of Technology says the world economy is now in the midst of a "significant slowdown," with outright recession in the Anglo-Saxon countries and minimal growth in Europe, except Germany. Only Asia is keeping up the momentum of world growth, *but even there Japan's growth* rate is slipping below 4 percent.

The most important questions about the world economy focus on the U.S. and Germany.

The most important questions about the world economy, he says, focus on the United States and Germany: Will the United States come out of the recession in the next few months, and can Germany resolve its inflation problem before a sharp slowdown sets in and topples the rest of continental Europe? He lays out three "plausible scenarios:"

- Optimistic: The American recession touched bottom in the April-June quarter and the recovery is starting. Germany cuts its interest rates this summer and Europe enters an upswing by late fall. (30 percent probability).
- Pessimistic: The U.S. recession is far more durable than the consensus of economists expects, because taxes are too high, debt keeps consumers and businesses from buying durable goods and the Federal Reserve is too slow and provides inadequate stimulus to turn the economy around. Germany's inflation proves a hard nut to crack. There's a serious chance of world recession by fall and no turnaround before the middle of next year. (20 percent probability).
- Central scenario: The U.S. recovery is about ready to start. Germany, preoccupied with inflation, lets Europe slip to the edge of recession. The disparity between a recovering U.S. economy and a declining Europe puts upward pressure on the dollar, complicating Europe's inflation problem and slowing American growth down the road. (50 percent probability).

THESE THREE ADD UP to 100 percent, implying that no other outcome is possible. For different combinations of U.S. recession and recovery, Mr. Dornbusch sets up a grid of four probabilities: deep recession-weak recovery, 5 percent; shallow recession-weak recovery, 50 percent; deep recession-strong recovery, 15 percent; shallow recession-strong recovery, 30 percent.

Most other economists' forecasts fall within the shallow recession-weak recovery scenario. Thus, Blue Chip Economic Indicators' June 1991 survey of 52 economists finds more than eight out of 10 predicting an end to the recession by August. Nearly four out of 10 said it ended in April or May.

And the Blue Chip consensus forecasts a 1992 growth rate of real GNP of just 2.7 percent, a recovery so weak as to mean virtually no change in unemployment. The top 10 of the Blue Chip forecasters average real economic growth of 3.5 percent next year, and the bottom 10 average 1.9 percent growth. None of the 52 surveyed see either a boom or a crash in '92.

The world economy appears weak but not hopeless in the eyes of its beholders. The Conference Board, drawing on indexes compiled by Columbia University's Center for International Business Cycle Research, finds that the global business cycle

See SCENE, Page 12

CURRENCY RATES

Cross Rates

June 14

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.05	3.365	1.1267	0.3346	0.1521 *	—	5.4725 *	1.3335	1.4365 *	1.7825	1.805 *
Brussels	36.965	60.32	20.5025	6.0585	2.7665 *	18.2875	—	24.065	0.2625	32.40	33.14 *
Frankfurt	1.80	2.93	—	0.2945	0.1342 *	0.8877	4.857 *	1.1643	1.274 *	1.5702	1.606 *
London (a)	1.6395	—	2.9323	9.9674	2,180.50	3.296	60.34	2.5080	230.435	1.8768	183.02
Madrid	112.152	182.752	62.272	18.330	8.355 *	55.372	3.0354	72.661	79.403 *	98.129	—
Milan	1,342.45	2,196.30	745.48	219.42	—	662.76	36.214	867.30	9.51	1,173.15	11.968
New York (b)	—	1.6395 a	1.795	6.0885	1,307.50	2.0225	36.925	1.5380	140.785	1.1431	112.18
Paris	4.715	9.958	3.3902	—	0.4557 *	2.9747	0.346	3.9622	4.3348 *	5.352	5.4545 *
Tokyo	141.30	231.25	78.59	23.36	0.1056	69.28	3.8087	91.92	—	123.44	1.3679
Toronto	1.1434	1.8671	0.6375	0.1876	0.0855 *	0.5659	3.104 *	0.7427	0.8126 *	—	1.024 *
Zurich	1.5335	2.5136	0.8530	0.2523	0.115 *	0.2585	4.3489 *	—	1.0926 *	1.343	1.3709 *
1 ECU	1.14	0.6996	2.0531	6.9739	1,530.72	2.3130	42.2530	1.7596	160.875	1.3029	127.852
1 SDR	1.3322	0.8053	2.382	8.0902	1,761.68	2.6626	48.6081	2.0241	185.087	1.5006	147.168

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9930.0	Greek drac.	195.75	Mex. peso	3015.00	S. Afr. rand	2.875
Austral. $	1.3263	Hong Kong $	7.73	N. Zealand $	1.7513	Soviet ruble*	0.602
Austr. schil.	12.66	Indian rupee	20.964	Norw. krone	7.0395	Swed. krona	6.5075
Brazil cruz.	296.42	Indo. rupiah	1936.00	Phil. peso	27.46	Taiwan $	26.92
Chinese yuan*	5.354	Irish £	0.6739	Port. escudo	159.10	Thai baht	25.75
Danish krone	6.95	Israeli shek.	2.3572	Saudi riyal	3.75	Turkish lira	4175.02
Egypt. pound	3.2725	Kuwaiti dinar	3.43	Sing. $	1.787	UAE dirham	3.6727
Fin. markka	4.2625	Malay. ring.	2.787	S. Kor. won	724.50	Venez. boliv.	55.53

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6209	1.6140	1.6081	Canadian dollar	1.1440	1.1486	1.1593
Deutsche mark	1.8053	1.8097	1.8139	Japanese yen	141.28	141.48	141.62
Swiss franc	1.5469	1.5494	1.5517				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	6-6 1/8	8 13/16-8 15/16	7 15/16-8 1/16	11 9/16-11 11/16	9 1/2-9 5/8	7 7/8-8	9 15/16-10 1/16	7 1/4
2 months	6 1/16-6 3/16	8 7/8-9	7 15/16-8 1/16	11 9/16-11 11/16	9 1/2-9 5/8	7 13/16-7 15/16	9 15/16-10 1/16	7 3/8
3 months	6 1/8-6 1/2	8 15/16-9 1/16	7 15/16-8 1/16	11 1/2-11 5/8	9 1/2-9 5/8	7 11/16-7 13/16	9 15/16-10 1/16	7 3/8
6 months	6 1/4-6 1/2	9 1/16-9 3/16	7 15/16-8 1/16	10 15/16-11 1/16	9 1/2-9 5/8	7 5/8-7 3/4	9 7/8-10	7 3/8
1 year	6 7/8-7	9 1/8-9 1/4	7 13/16-7 15/16	10 13/16-10 15/16	9 1/2-9 5/8	7 1/2-7 5/8	9 7/8-10	7 1/2

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 14

	Close	Prev.
United States		
Discount rate	5 1/2	5 1/2
Prime rate	8 1/2	8 1/2
Federal funds	5 3/4	5 11/16
Com paper 90-179 days	6.15	6.15
3-month Treasury bills	5.56	5.58
6-month Treasury bills	5.75	5.79
1-year Treasury bills	5.94	5.97
30-year Treasury bond	8.46	8.51
2-month CD's	5.70	5.70
3-month CD's	5.80	5.80
Japan		
Discount rate	6.00	6.00
Call money	7 29/32	8 1/32
2-month interbank	7 25/32	7 25/32
3-month interbank	7 3/4	7 11/16
Germany		
Discount rate	6 1/2	6 1/2
Lombard rate	9.00	9.00
Call money	8.75	8.80
1-month interbank	8.90	8.90
3-month interbank	9.00	9.00
6-month interbank	9.10	9.10
Britain		
Bank base rate	11 1/2	11 1/2
Call money	11 1/4	11 1/4
3-month interbank	11 1/4	11 3/16
6-month interbank	11	10 15/16
France		
Intervention rate	9.00	9.00
Call money	9 13/16	9 3/4
1-month interbank	9 11/16	9 3/4
3-month interbank	9 5/8	9 5/8
6-month interbank	9 5/8	9 9/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 14

1 month	6 1/16 - 6 3/16
2 months	6 1/8 - 6 1/4
3 months	6 1/8 - 6 1/4
6 months	6 3/8 - 6 1/2
1 year	6 15/16 - 7 1/16

Source: Reuters.

U.S. Money Market Funds

June 14

Merrill Lynch Ready Assets
30-day average yield: 5.47
Telerate Interest Rate Index: 5.906
Source: Merrill Lynch, Telerate.

GOLD

June 14

	A.M.	P.M.	Ch'ge
Hong Kong	368.85	369.55	+ 0.30
Luxembourg	367.60	—	+ 0.35
Paris (12.5 kilo)	364.98	365.20	+ 1.73
Zurich	369.65	367.65	— 1.90
London	367.80	367.25	— 1.95
New York	—	366.85	— 3.00

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Japan's Trade Surplus Sets Off Alarms

By James Sterngold
New York Times Service

TOKYO — Despite pledges to open its markets to foreign goods and slow its powerful export machine, Japan's trade surplus is soaring to politically dangerous levels again after three years of decline.

Government officials have been struggling to play down the trend, particularly after new figures were released this week showing a big jump in sales of Japanese goods abroad, although exports to the United States were down slightly.

The officials are saying that it is still too early to tell if the trade imbalance will widen for the year.

But private economists say the surplus appears likely to widen in coming months, as consumers in the West emerge from the recession and begin snapping up Nissan cars, Panasonic stereos, Toshiba computers and other Japanese products.

"Japan's competitiveness has been maintained at a very high level," said Yoshihisa Kitai, chief economist at the Long-Term Credit Bank. "If a foreign market opens or improves, we are prepared to increase our exports very quickly."

In May, Japanese exports to the European Community rose 19.4 percent, to $4.9 billion, and those to Asia increased 28.4 percent, to $8.6 billion. Exports to the United States, however, declined 1 percent from a year earlier, to $6.75 billion, according to government figures.

'We're back where we started essentially, before all the market-opening measures. The Japanese are ready to strike again.'
Paul Summerville, Jardine Fleming Securities.

The statistics point out a difference in the current surge: Japan has *become less dependent on exports* to the United States, which many Japanese are looking upon as an unreliable, irritable trade partner, but sales to Europe and Asia are growing much faster.

"What the figures show is that Japan's surplus should have been even larger in 1990, but it was depressed just by high oil prices," Mr. Kitai said. "The high oil prices, which have now ended, concealed the strength of the trend."

Japan's trade surplus with the European Community shot up 79 percent in May from the year earlier, to $2.2 billion.

The surplus with Asia rose 43 percent, to $2.4 billion. That is a sore point with countries like South Korea, which complain that Japan exports machinery, parts and consumer goods, but is stingy in sharing the technology behind its manufacturing prowess.

By contrast, the surplus with the United States slipped by 20 percent, to $1.95 billion, in May, a result of the recession.

It is a sign of the resilience of Japan that even with its single largest market in recession, it has succeeded in cultivating and exploiting *new markets to more than make* up for the loss.

Japan's exports consist largely of manufactured goods, on which profits are high, while the growth in its imports is coming largely from raw materials, like crude oil.

After declining to $63.5 billion last year, a 34 percent decline from the peak in 1987, Japan's trade surplus is expected to top $70 billion this year. Some economists predicted it would reach $80 billion.

The recent trade figures also show that some types of imports that have grown smartly in recent years are vulnerable; for instance, there was a big decline in Japanese imports of French paintings and German luxury automobiles in May, as a decline in real estate and stock prices here cut back on purchases by affluent Japanese.

"I had expected some growth in the surplus, but this is quicker and bigger than I'd expected," said Paul Summerville, the economist here for Jardine Fleming Securities. "We're back where we started essentially, before all the market-*opening measures. The Japanese* are ready to strike again."

He added, "This all adds up to greater acrimony ahead."

The rising surplus is expected to provoke a new round of trade frictions, especially with the European Community. (Page 13) Edith Cresson, France's prime minister, has assailed Japan's export policies and what she contends are its closed markets.

Japanese officials have responded that the problem is due to the competitive ability of Japanese companies, not unfair practices. *They say that in general the answer* is for foreign industries to improve their efficiency.

The latest surge in the trade surplus underscores the fact that even after some important adjustments to its economy over the last five years to force companies to cater more to the domestic market, Japanese companies are becoming ever more efficient in competing around the globe.

Throughout the late 1980s, Japanese corporations poured unprecedented sums into research, new technologies and new factories. They are now beginning to reap the rewards of that capital investment.

Brazil To Move On Debt

Brady Plan Cited As a Possibility

By Julia Preston
Washington Post Service

BRASILIA — Brazil, the one major Latin American nation that has snubbed U.S. efforts to solve the region's staggering debt problems, is ready to consider an agreement under the framework proposed by Treasury Secretary Nicholas F. Brady of the United States, according to Economy Minister Marcilio Marques Moreira.

Mr. Marques will accompany President Fernando Collor de Mello to Washington next week for talks with the Bush administration, the World Bank, the International Monetary Fund and private bankers about starting negotiations on the $52 billion Brazil owes commercial banks worldwide. Mr. Collor will meet President George Bush on Tuesday.

On the eve of the visit, Mr. Marques said Brazil would seek more generous cuts in interest payments during the first five years of an accord than have been granted to other Latin American debtor nations. Brazil, he said, might ask for a 60 percent reduction in interest payments in the first three years of an agreement and a 50 percent cut in the fourth and fifth years. He said, however, that Brazil might be able to pay more in later years.

If Brazil does negotiate along the lines of the Brady plan, it would be the latest in a string of successes for a U.S. initiative that was greeted with skepticism by bankers and Latin governments alike when Mr. Brady offered it in March 1989.

The plan demands tough economic reforms from indebted countries and, in return, holds out the promise of debt relief through a combination of commercial bank write-offs, interest rate reductions by the banks, swaps of debt for equity and U.S. government backing for new government securities.

Variations have been adopted by governments and banks in Mexico, Venezuela, Costa Rica and Uruguay. But the inability to negotiate a package for Brazil, whose economy accounts for half of the continent's output, has been the Brady plan's biggest failure.

For Brazil, which has a total foreign debt of $120 billion, a Brady plan agreement would mark a break with the sometimes belligerent nationalism that has dominated the country's response to its financial woes.

In his first public comments about Brazil's new debt strategy, Mr. Marques, who was named economy minister just over a month ago, said Brazil is looking at what he called "very, very encour-

See BRAZIL, Page 11

Despite Recession, Aircraft Makers Plan for Strong Long-Term Growth

By Barry James
International Herald Tribune

PARIS — A senior official of Boeing Aircraft Co. predicted Friday that despite the recession in the airline industry, the number of air passengers would at least double in the next 15 years, and he confirmed that the company was actively planning to develop a super jumbo jet to carry large numbers of people early in the next century.

Philip M. Condit, general manager of one of Boeing's new aircraft projects, said the company was considering three options — a stretched version of its 747 jumbo, a double-deck 747 or an entirely new aircraft.

Whatever option is chosen, the aircraft will have a capacity of up to 700 passengers.

Boeing's chief rival, Airbus Industrie of Europe, also is looking into the possibility of building a 600-seat or larger passenger jet early in the next century.

Jean Pierson, chief executive of Airbus, said the company was actively soliciting design ideas from airlines for a plane carrying between 600 and 800 passengers. "We cannot allow ourselves to be absent from this extremely important segment of the market," he said.

The two men spoke on the second day of the Paris air show at Le Bourget airfield near Paris.

If Boeing's — and Airbus's — estimates of traffic growth hold true, the problem in the future is likely to be not shortage of money but a shortage of space. Pressure for airport slots and on air lanes will intensify. One way of getting around this problem is to put more passengers on fewer planes, which is why some airlines and the airframe manu*facturers are thinking in terms of* the truly large.

"On some heavily traveled long-range routes, a number of airlines today fly two 747s departing within one to four hours of each other," Boeing

The Paris Air Show

said. "It is likely that the market will require a 600-seat, or larger airplane by the year 2005, and maybe earlier."

Mr. Condit said the recession made it "easy to get pessimistic about the future," but he said indicators confirm Boeing's prediction of an annual 4.5 percent growth rate in U.S. air travel and 5.5 percent for the rest of the world — which over 15 years would double air travel.

Just to meet such growth would require $400 billion worth of airplanes to be built in the next 15 years — and that's in addition to replacements for about 3,500 aging aircraft that will be taken out of service during that time.

Despite the setback of the Gulf war and the recession, Boeing's backlog of orders has kept

See SHOW, Page 10

EC Bans 'Inhumane' Fur Imports

By Charles Goldsmith
International Herald Tribune

LUXEMBOURG — The European Community agreed Friday to prohibit the import of ermine, sable, lynx and other furs from countries that allow the use of leghold traps. The ban takes effect in 1995.

The traps, which are condemned by animal-rights groups as cruel, are in widespread use in areas of *the United States, Canada and the* Soviet Union. Fur sales by those countries in EC nations totaled more than $100 million last year.

The United States and Canada had reportedly lobbied for a delay in the ban.

A prohibition on using leghold traps in the Community will also take effect in 1995, two years later than proposed. France refused to accept that an EC ban take effect before the import ban did.

France, which has a powerful domestic hunting lobby, claims its leghold-style traps are more humane than most such traps. This, the French say, is because they do not completely close and have rubber rather than steel teeth.

"This is an important step forward," the EC environment commissioner, Carlo Ripa di Meana, said after an agreement was reached by Community environment ministers. "Rubber teeth or not, the Community is banning the leghold trap."

Environment Minister David Trippier of Britain, where leghold traps have been banned for 30 years, said use of the device was a "deplorable form of trapping animals."

The Jan. 1, 1995, ban on imports of 13 species is subject to a one-year grace period for countries that make progress toward more humane trapping methods. The other species covered are wolves, otters, coyotes, bobcats, badgers, raccoons, martens, muskrats, stoats and beavers.

The issue was the subject of lob-

See FUR, Page 10

EASTERN CANADIAN SKI MOUNTAIN FOR SALE

THE RECEIVER'S INTEREST IN THE ASSETS OF POLEY MOUNTAIN DEVELOPMENT LTD.

ASSETS FOR SALE

Poly Mountain Development Ltd. owns an established 10 trail ski mountain facility with a newly constructed 13,000 square foot lodge near a large population base on the Canadian East Coast, near Sussex, New Brunswick. The assets for sale include the Receiver's interest in Land, Buildings and Equipment

MOUNTAIN STATS

Vertical Drop: 660 feet
Covered by Snowmaking: 80%
Total Uphill Skier Capacity: 3550 skiers/hour
Lifts: 1 Dopplemayr quad chairlift
1 T-Bar
2 Pony Tows

INSPECTION OF ASSETS

Those parties wishing to view the assets, or obtain any additional information and the complete list of Terms and Conditions, should contact Mr. Robert C. Smith, C.A. or Ms. Ellen MacLaughlan, at (506) 634-1000.

TERMS AND CONDITIONS

Interested parties must contact the Receiver for the complete terms and Conditions

PEAT MARWICK THORNE INC.
Receiver for Poley Mountain Development Ltd
Fourth Floor, Harbour Building
133 Prince William Street
Saint John, N.B
E2L 3V6

Telephone: (506) 634-1000 Fax (506) 633-8828

KPMG Peat Marwick Thorne

CITY OF CHICAGO
DEPARTMENT OF PURCHASES, CONTRACTS AND SUPPLIES

Sealed Qualifications will be received by the City of Chicago on the date and time (Chicago Time) listed below in Room 401, City Hall, 121 North LaSalle Street, Chicago, Illinois for the following requirement:

DESCRIPTION: Request for Qualifications to Design and Construct a new sophisticated 9-1-1 Emergency Communications Center for the City of Chicago.

SPECIFICATION NO.: C968-91-0089

DEPOSIT: NONE

PRE-SUBMITTAL CONFERENCE: Monday, June 24, 1991, 10:00 a.m., Chicago Mercantile Exchange, Upper Trading Floor, 7th Floor, 30 South Wacker Drive, Chicago, IL 60606.

QUALIFICATIONS RECEIPT DATE: Monday, July 22, 1991.

TIME: 4:00 p.m.

The City of Chicago is requesting qualifications through this solicitation which will eventuate in a 3-step, multi-party developmental proposal to produce a preliminary design from which a contract will be issued to design, construct, start-up, cut-over and warranty a new, sophisticated 9-1-1 Emergency Communications System and Facility.

Any qualification submitted which is not properly signed will be considered non-responsive and the submittal will be disqualified from consideration. Any late submittal received after the announced date and time for the opening of submittals will not be accepted.

Qualifications must be submitted on documents provided by the City of Chicago which are available in the Department of Purchases, Bid and Bond room, Room 401, City Hall, Chicago, Illinois, 312-744-9773.

The Purchasing Agent reserves the right to reject any or all qualifications if deemed in the best interest of the City of Chicago.

RICHARD M. DALEY, MAYOR
ALEXANDER GRZYB, ACTING PURCHASING AGENT

U.K. Inflation Falls, Adding to Rate Cut Calls

Compiled by Our Staff From Dispatches

LONDON — Britain's inflation rate slipped below 6 percent in May for the first time since 1988, prompting new calls for the government to ease a credit squeeze that has plunged the economy deep into recession.

But much as Prime Minister John Major's embattled Conservative cabinet might want to make a new cut in interest rates, the weakness of the pound apparently compelled it to delay.

The chancellor of the Exchequer, Norman Lamont, would not be drawn on future interest rate cuts in a radio interview Friday.

But no government could be "indifferent" to the exchange rate, he said, adding that a weak pound would just turn inflation up again.

Official figures on Friday showed that year-on-year inflation measured by the Retail Price Index was 5.8 percent in May, compared with 6.4 percent in April and a peak last September and October of 10.9 percent.

The news was one bright spot in a week of gloom for the government, which on Thursday announced that unemployment rose in May almost to 2.25 million people, or 8 percent of the labor force.

Sir Alan Walters, economic adviser to the former prime minister, Margaret Thatcher, said a "deep and lasting recession" would probably cost Mr. Major the next general election.

This must be called within 13 months, meaning that the government has a race against time to turn the economy around.

Mr. Major, making a keynote speech on Europe at a Conservative Party conference in Swansea, Wales, said on Friday that he would support the concept of a European currency only if it were "practical and workable."

The British Parliament, he said, reiterating his position on the issue, must have the final decision of not only when to adopt a single European currency but also whether to join the system at all.

Mr. Major also said his government would pursue EC negotiations to the end of this year. Some of his audience thought this was a hint he would delay a general election until 1992.

The Treasury noted on Thursday that inflation had fallen steadily for seven months and was below 6 percent for the first time since August 1988. Britain was "clearly on track" to a target of inflation at 4 percent by the end of the year, the Treasury said.

The decline in inflation has already allowed bank base interest rates to be reduced from 15 to 11.5 percent.

But financial analysts said any further interest rate cuts were constrained by the need to defend the pound, which is under pressure in the markets from a strong dollar.

The pound stood at $1.6395 in late London trading Friday, up a little from Thursday's $1.6350. (Page 10)

The British currency traded at 2.9323 Deutsche marks, a pfennig-and-a-half under its reference level in the exchange-rate mechanism of the European Community's European Monetary System.

Michael Hughes, chief economist at Barclays de Zoete Wedd, said Mr. Lamont was "in a vicious circle" over cuts in interest rates because of the pound's vulnerability.

The latest inflation figure is still almost double Germany's 3 percent, while the Conservatives' boom-bust handling of the economy is a prime reason why they trail the Labor Party by up to 10 percent in public opinion polls.

More stubborn "underlying inflation" in May was at 6.6 percent, down from 6.8 percent, Thursday's figures from the Central Statistical Office showed. This measure is the Retail Price Index with the effect of the cost of mortgage repayments stripped out. *(Reuters, UPI)*

Why Fed Just Watches As Dollar Gets Stronger

Reuters

NEW YORK — The Federal Reserve's absence from the currency market this week, while the dollar hit an 18-month high against the Deutsche mark, reflected policy decisions rather than concern about the Fed's large foreign currency holdings, traders and analysts said.

The Fed's and Treasury Department's satisfaction with current levels of the dollar was most important in inhibiting intervention from the Fed, they said. The Fed also appreciates the inflation-fighting effect of a higher dollar.

The Fed's reluctance to intervene led some market participants to speculate that its holdings of foreign currency and a recent reduction in the profitability of these holdings were keeping the central bank out of the market.

But most analysts and traders knowledgeable about intervention said the Fed and the Treasury do not view the dollar as overvalued. Indeed, the dollar remains slightly undervalued in terms of purchasing power parity, noted a former Fed economist who now works for a major U.S. bank.

At 1.4435 DM, which the dollar reached in February, the U.S. currency was grossly undervalued, the economist said.

SHEARSON LEHMAN BROTHERS

THE MANAGED CURRENCIES PROGRAM ONE

YEAR 1983 + 14.0%
YEAR 1984 - 9.1%
YEAR 1985 + 235.2%
YEAR 1986 + 21.1%
YEAR 1987 + 89.0%
YEAR 1988 + 217.7%
YEAR 1989 + 47.9%
YEAR 1990 - 31.6%

PERFORMANCE RESULT FOR BEGINNING EQUITY OF
$ 20,000 JANUARY 1st, 1991
HAS BECOME
$ 6,589 JUNE 1st, 1991
AFTER ALL COMMISSIONS

NEXT RESULT IN MONDAY JULY 15th, 1991 ISSUE.
THERE IS NO MANAGEMENT FEE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

Managed by
Olivier Delafon
Senior Vice President International

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(33-1) 47270443

SHEARSON LEHMAN BROTHERS

THE MANAGED CURRENCIES PROGRAM TWO

YEAR 1989 + 50.6%
YEAR 1990 - 0.5%

PERFORMANCE RESULT FOR BEGINNING EQUITY OF
$ 20,000 JANUARY 1st, 1991
HAS BECOME
$ 9,847 JUNE 1st, 1991
AFTER ALL COMMISSIONS

NEXT RESULT IN MONDAY JULY 15th, 1991 ISSUE.
THERE IS NO MANAGEMENT FEE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

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MARKET DIARY

Inflation Data Send Dow Above 3,000

United Press International

NEW YORK — Stocks closed sharply higher Friday in moderate trading on the New York Stock Exchange, with the Dow again above 3,000, after the government reported that inflation remained under control in May.

The Dow Jones industrial average, which added 3.13 Thursday,

N.Y. Stocks

jumped 35.33 points to 3,000.45.

Among broader market gauges, the New York Stock Exchange composite index rose 2.27 to 209.34 and Standard & Poor's 500-stock index jumped 4.66 to 382.29. The price of an average share surged 38 cents.

Advances led declines by a 2-1 margin. Big Board volume totaled 167.5 million shares, compared with the 147.2 million shares Thursday.

Stocks got an early boost from good news about inflation, which also brought long-term interest rates back below a key level. The drop in yields on Treasury bonds below 8.5 percent also boosted the market, analysts said.

On the inflation front, consumer prices rose 0.3 percent in May as energy costs rose for the first time in six months and food prices remained largely unchanged, the Labor Department reported Friday.

Citicorp was the most active issue, off ⅜ to 16⅝.

Pepsico followed, up 1 to 31. Computer Associates was third, up ½ to 10⅝.

Prices gained in moderate trading on the American Stock Exchange. The Amex Market Value index added 1.29 to 367.36.

Correction in Market Curbs Dollar's Rally

Reuters

NEW YORK — Position-squaring before the weekend sucked some of the wind out of the dollar's recent rally on Friday but did not sway the currency from its bullish course, dealers said.

"There was a bit of a correction today and yesterday also, after the

Foreign Exchange

dollar made new highs," said Renato Strauss, executive vice president at Bank Julius Baer. "But I expect the dollar to go higher next week."

The dollar ended at 1.7950 Deutsche marks, down from Thursday's close of 1.7998. It had surged to a 19-month high of 1.8090 DM during Thursday's session.

The U.S. currency fell to 140.705 yen Friday from 141.35 and to 6.0985 French francs from 6.1070. It was nearly unchanged at 1.5388 Swiss francs, after 1.5389.

The pound, beset by Britain's economic problems, slipped to $1.6329 from $1.634.

Several indicators this week provided the latest evidence of a rebound in the U.S. economy. On Thursday, May retail sales were reported up 1 percent while weekly jobless claims were down 38,000.

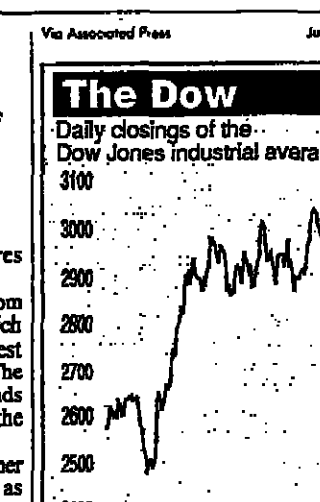
On Friday it was reported that May industrial production advanced 0.5 percent and consumer prices rose 0.3 percent. Producer prices, reported Thursday, rose 0.6 percent, fueling inflation concerns.

"If you were bullish about the dollar at the beginning of the week, when it was trading at around 1.77 marks, then after the economic data yesterday and today you wouldn't be any less bullish," said Robert Hatcher at Barclays Bank.

Traders in London, explaining the dollar's softness Friday, cited a bout of profit-taking as the hefty gains made during the week proved too tempting for some traders.

In late London trading, the dollar was quoted at 1.7890 DM, down from 1.8025 Thursday. The dollar sank to 140.55 yen from 141.50, to 6.0795 French francs from 6.1100 francs and to 1.5350 Swiss francs from 1.5415 francs. The pound firmed to $1.6395, from $1.6350.

Via Associated Press June 14



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Citicorp	42314	17	16½	16⅝	—⅜
PepsiC s	35796	31⅛	29⅞	31	+1
CmpAsc	25562	10⅝	9⅝	10⅝	+½
IBM	22961	101⅛	99⅞	100⅞	—¼
RJR Nb n	21894	11	10⅞	10⅞	+¼
GnMotr	21016	44⅛	42½	43¾	+1⅜
PhilMr	20705	66¼	65⅜	66⅜	+1⅜
MIN	20510	8	7⅞	7⅞	—⅛
AmExp	17395	24⅞	24⅜	24⅝	+⅜
Loral	16285	41⅛	40⅜	41¼	+½
Glaxo	16097	43	42⅛	42⅞	+1
McDonl	14841	33⅜	33⅛	33⅜	—¼
TelMex n	13748	27⅞	26¾	27⅞	+⅝
Boeing	13379	49⅞	48½	49⅞	+⅞
MMT	12731	8⅛	7⅞	7⅞	—⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	14472	4	3⅞	4	+⅛
viCntAr	5389	2	1⅞	2	+⅛
FruitL	4856	15¼	14⅞	14⅞	—⅜
IvaxCp s	3678	28⅝	26⅞	28½	+2
TelDta	3589	31⅞	31¼	31¾	+¼
EchoBy	3202	9⅛	8⅞	8⅞	—⅛
BAT In	2749	11⅝	11⅛	11⅝	+½
Elan	2392	32⅞	32⅛	32⅞	+¼
Baldw	2374	7⅛	7	7⅛	+⅛
ChDvA s	2158	26¼	25½	26⅛	+⅜
PallCp s	2026	35⅞	35	35½	+¼
A-dd sc s	1907	12¼	11⅞	12⅛	+⅜
ENSCO	1744	3	2⅞	3	
RhnP rl s	1680	2⅞	2⅝	2⅞	
ViacB n	1601	27¾	27¼	27⅝	—¼

NYSE Diary

	Close	Prev.
Advanced	1027	793
Declined	544	726
Unchanged	464	529
Total Issues	2035	2048
New Highs	44	24
New Lows	10	11

Amex Diary

	Close	Prev.
Advanced	293	222
Declined	222	277
Unchanged	260	255
Total Issues	775	754
New Highs	12	8
New Lows	6	5

NASDAQ Diary

	Close	Prev.
Advanced	1,088	909
Declined	734	890
Unchanged	2,281	2,303
Total Issues	4,103	4,102

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2978.31	3014.98	2967.58	3000.45	+ 35.33
Trans	1221.61	1239.25	1217.03	1234.66	+ 17.10
Util	208.38	210.64	207.87	210.20	+ 1.82
Comp	1071.39	1085.03	1067.66	1080.57	+ 12.91

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	455.44	449.62	455.43	+5.81
Transp.	303.20	299.10	303.20	+4.10
Utilities	137.82	135.91	137.82	+1.91
Finance	30.51	30.22	30.35	+0.13
SP 500	382.30	377.63	382.29	+4.66
SP 100	364.29	359.59	364.28	+4.68

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	209.34	208.36	209.34	+2.27
Industrials	263.77	262.53	263.77	+3.08
Transp.	180.29	179.26	180.29	+1.86
Utilities	90.11	89.42	90.11	+1.08
Finance	153.27	152.56	152.88	+0.59

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	495.27	491.16	495.07	+3.93
Industrials	552.16	548.29	551.47	+4.33
Finance	482.02	479.46	482.02	+2.80
Insurance	547.44	543.85	545.42	+1.59
Utilities	568.58	562.80	568.40	+6.51
Banks	332.17	329.74	331.64	+2.43
Transp.	541.83	529.50	540.95	+11.20

AMEX Stock Index

High	Low	Close	Ch'ge
367.41	366.07	367.36	+1.29

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.07	+0.24
10 Utilities	95.16	+0.15
10 Industrials	92.99	+0.34

Market Sales

NYSE 4 p.m. volume	147,530,000
NYSE prev. cons. close	177,798,210
Amex 4 p.m. volume	10,880,000
Amex prev. cons. close	12,485,280
NASDAQ 4 p.m. volume	135,002,600
NASDAQ prev. 4 p.m. volume	127,700,200

S&P 100 Index Options

Strike Price	Calls-Last May	Jun	Jly	Aug	Puts-Last May	Jun	Jly	Aug
320	—	—	—	—	⅛	—	—	—
325	—	—	—	—	⅛	⅛	—	—
330	—	—	—	—	⅛	⅛	—	—
335	—	—	—	—	⅛	⅛	—	—
340	24	—	—	28	⅛	⅛	2⅛	4⅛
345	18¼	18⅝	—	—	¼	1⅝	3⅜	4⅝
350	15⅝	17½	18⅛	—	⅛	1⅝	4	6⅛
355	10⅝	13⅛	15⅜	—	⅛	2⅛	5⅝	7⅝
360	5⅝	9½	12	14⅝	1⅝	4⅛	6⅝	8½
365	2½	6⅝	9	11⅛	2⅝	6⅛	9⅝	—
370	⅜	4⅛	6⅝	9⅝	6⅛	9⅝	12½	13⅛
375	⅛	2⅛	4⅝	7	12	13	15½	—
380	⅛	1⅛	2⅝	—	—	17	18⅛	19⅛
385	⅛	⅛	2⅛	3⅛	—	—	—	—

Calls: total vol. 127,424; total open int. 415,370
Puts: total vol. 117,536; total open int. 414,803

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	30⅝	—	—
30	8	9⅝	⅛	—
32½	—	—	1⅝	—
35	—	—	2½	—
37½	—	—	—	4¼
40	—	—	—	—

Calls: total vol. 26; total open int. 28,927
Puts: total vol. 78; total open int. 58,968
Source: CBOE.

EUROPEAN FUTURES

Food

SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons

	Close		High	Low	Prev. Close	
Aug	193.00	200.40	204.80	198.00	202.00	202.80
Oct	183.20	184.40	191.60	184.40	188.00	190.00
Dec	173.00	200.00	190.00	183.00	177.00	189.00
Mar	177.00	184.00	188.20	184.00	183.00	188.80
May	177.40	186.60	187.00	188.20	185.20	192.60
Aug	185.00	192.40	198.00	197.00	196.00	199.00
Oct	187.20	192.40	197.00	197.00	196.00	199.00

Est. Sales 1,463.

COCOA (FOX) Sterling per metric ton-lots of 10 tons

Jul	603	604	610	603	605	606
Sep	638	637	644	635	638	639
Dec	678	677	683	678	675	676
Mar	712	713	717	712	709	710
May	733	734	734	732	731	732
Jul	753	754	755	754	750	751
Sep	773	774	775	773	768	770

Est. Sales 3,998.

COFFEE (FOX) Sterling per metric ton-lots of 5 tons

Jul	536	537	544	536	540	543
Sep	562	564	572	563	568	569
Nov	588	589	597	587	593	594
Jan	608	610	618	608	614	615
Mar	626	629	635	625	629	636

Est. Sales 3,797.

WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons

	High	Low	Close		Ch'ge
Aug	304.00	300.50	302.00	303.50	+ 8.30
Oct	268.00	265.50	265.00	267.00	+ 7.00
Dec	N.T.	N.T.	258.00	260.00	+ 6.00
Mar	260.00	260.00	259.00	260.50	+ 5.80
May	261.00	261.00	260.00	262.00	+ 6.00
Aug	N.T.	N.T.	268.00	270.00	+ 6.50

Est. sales 584. Prev. sales 581. Open interest 12,670.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1291.00	1292.00	1275.00	1277.00
Forward	1323.00	1324.00	1307.00	1308.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1341.00	1342.00	1327.00	1328.00
Forward	1353.00	1354.00	1352.00	1353.00
LEAD Sterling per metric ton				
Spot	334.00	336.00	342.00	344.00
Forward	343.00	344.00	348.00	349.00
NICKEL Dollars per metric ton				
Spot	8150.00	8170.00	8190.00	8200.00
Forward	8287.00	8290.00	8230.00	8235.00
TIN Dollars per metric ton				
Spot	5735.00	5745.00	5700.00	5710.00
Forward	5820.00	5830.00	5780.00	5785.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1074.00	1076.00	1099.00	1101.00
Forward	1091.00	1092.00	1115.00	1116.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Jun	88.84	88.72	88.73	—0.11
Sep	89.65	89.48	89.49	—0.15
Dec	89.94	89.82	89.84	—0.09
Mar	89.97	89.90	89.92	—0.04
Jun	89.68	89.63	89.64	—0.03
Sep	89.44	89.42	89.42	—0.04
Dec	89.28	89.24	89.25	—0.03
Mar	89.22	89.19	89.24	+0.02
Jun	89.27	89.23	89.22	Unch.
Sep	89.17	89.17	89.21	+0.01
Est. volume: 46,298. Open interest: 140,362.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Jun	93.80	93.75	93.80	+0.05
Sep	93.48	93.42	93.47	+0.09
Dec	92.89	92.81	92.88	+0.13
Mar	92.76	92.63	92.75	+0.17
Jun	92.20	92.19	92.31	+0.17
Sep	N.T.	N.T.	91.97	+0.17
Dec	N.T.	N.T.	91.73	+0.17
Mar	N.T.	N.T.	91.74	+0.17
Est. volume: 5,349. Open interest: 40,265.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Jun	90.97	90.93	90.95	+0.01
Sep	90.97	90.89	90.96	+0.05
Dec	91.11	91.03	91.10	+0.03
Mar	91.37	91.31	91.36	+0.03
Jun	91.55	91.53	91.52	+0.03
Dec	91.76	91.70	91.74	Unch.
Mar	N.T.	N.T.	91.80	+0.06
Est. volume: 17,461. Open interest: 111,067.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Jun	90-07	90-02	89-25	—0-11
Sep	90-10	89-26	89-27	—0-10
Dec	N.T.	N.T.	89-26	—0-10
Est. volume: 12,145. Open interest: 36,048.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	85.76	85.62	85.71	+0.13
Dec	85.92	85.90	85.95	+0.14
Est. volume: 26,407. Open interest: 69,251.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jul	171.50	170.00	171.00	170.75	—1.25
Aug	172.00	170.50	171.50	171.25	—1.50
Sep	174.50	173.25	173.25	173.25	—1.25
Oct	177.50	175.50	175.75	176.00	—1.25
Nov	179.50	177.75	178.50	178.50	—1.25
Dec	181.00	178.50	179.25	179.50	—1.50
Jan	N.T.	N.T.	N.T.	176.50	—1.50
Feb	173.00	173.00	173.00	172.00	—0.75
Mar	N.T.	N.T.	N.T.	168.00	—4.00
Est. Sales 5,294. Prev. sales 9,357. Open interest 61,251					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Aug	18.29	18.08	18.13	18.14	—0.02
Sep	18.55	18.40	18.45	18.46	Unch.
Oct	18.80	18.65	18.68	18.68	—0.02
Nov	18.96	18.84	18.88	18.88	—0.22
Dec	19.07	18.90	19.08	19.00	—0.20
Jan	N.T.	N.T.	N.T.	19.00	—0.10
Est. Sales 15,238. Prev. sales 25,176. Open interest 45,458					

Stock Indexes

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Change
Jun	2534.0	2519.0	2530.0	+16.0
Sep	2578.0	2545.0	2575.0	+16.0
Dec	N.T.	N.T.	2617.5	+19.5

Est. volume: 4,728. Open interest: 33,188.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Atlantic Energy Inc	Q	.75	7-15	6-24
Betz Laboratories	Q	.31	8-8	7-25
Millipore Corp	Q	.72	7-24	6-28
INITIAL				
Handcock Fabric	Q	.08	7-15	7-1
OMITTED				
Amoskeag Co				
Belden & Blake				
Vermont Find Svcs				
REVERSE STOCK SPLIT				
Micro Bio-Medics Inc 1-for-3				
SPECIAL				
CFS Group	-	c-.04	7-11	6-27
STOCK SPLIT				
Fiserv 3-for-2				
USUAL				
Centel Corp	Q	.22	7-31	7-8
Chrysler Corp	Q	.15	7-15	6-24
Comm Clrng Hse	Q	.17½	7-31	6-28
Dylex Ltd	Q	c-.25	7-3	6-24
Engelhard Corp	Q	.17	6-28	6-25
Hancock Fabrics	Q	.08	7-15	7-1
IMO Industries	Q	.12½	7-15	6-25
MacNeal-Schwend.	Q	.12	7-4	6-23
Midwest Grain Prod	Q	.17½	8-9	7-12
NAC Re Corp	Q	.05	7-11	6-27
Parkvale Financial	Q	.10	7-25	6-30
Penny (JC) Co	Q	.66	8-1	7-10
Prime Fedl Bk FSB	Q	.08½	7-12	6-28
Prime Fedl Bank	Q	.08½	7-12	6-28
Raven Indust	Q	.09	7-15	6-21
SantaAnitaRealty	Q	.52	7-23	7-8
Thomaston Mills Inc	Q	.11	6-29	6-24
Trinity Industries	Q	.17	7-31	7-15
United Stationers	Q	.10	7-15	6-28
Universal Foods	Q	.19	8-15	7-19

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
June 13	626,162	501,700	9,959
June 12	530,256	843,451	99,891
June 11	646,687	646,232	32,210
June 10	478,708	596,946	15,413
June 7	558,021	644,374	42,021

*Included in the sales figures.

U.S./AT THE CLOSE

Axa to Take Stake in Equitable Life

PARIS (Reuters) — French insurance firm Axa has agreed with Equitable Life Assurance Society of the United States to take a stake in the New York-based insurer, Claude Bébéar, Axa chairman, said Friday.

Mr. Bébéar said Axa's investment would be about $1 billion. He said Axa wants an uncontestable position as Equitable's principal shareholder — but not a majority stake. He did not say what percentage of Equitable was involved.

Axa has long said that it was interested in establishing itself in the U.S. market. Axa failed in an attempt in 1989 to buy Farmers Group Inc., an insurer based in Los Angeles that is owned by BAT Industries PLC.

Northwest in Talks With Qantas

MINNEAPOLIS (Reuters) — Northwest Airlines, a unit of NWA Corp, said it is holding talks with the Australian international airline, Qantas Airways Ltd., about an investment in the cash-strapped airline.

A Northwest spokeswoman, Christy Clapp, said Northwest has been in discussions with Qantas about "taking an investment opportunity" in the airline.

The Australian government said earlier this year that it would be selling 49 percent of the state-owned airline, with foreign airlines being offered a maximum 35 percent.

TWA Blocked From Buying Debt

WHITE PLAINS, New York (Reuters) — A federal judge blocked Trans World Airlines' plan to purchase a large portion of its outstanding debt in an attempt to forestall bankruptcy.

The airline's tender offer, which was set to expire June 21, offered significantly less than the face value for various junior subordinated debentures. These debentures represent $670 million of the airline's outstanding debt, estimated at $1.37 billion. Carl C. Icahn, TWA chairman, holds $189 million of the junior debentures.

U.S. District Judge Gerard Goettel granted a preliminary injunction to Fleet National Bank, a trustee for two sets of senior unsecured notes issued by TWA, postponing the offer indefinitely. Fleet argued that even paying 17.5 cents on the dollar for the junior debentures would leave less money available to satisfy a judgment in favor of the senior noteholders.

For the Record

Porsche Cars North America Inc. on Friday recalled all 975 of the 1989 model 911 Turbo cars sold in the United States because of the vehicle's potential to catch fire. The U.S. importer said it was aware of three fires stemming from the problem. *(AP)*

Lionel Corp., former maker of the famous model trains and current operator of the Kiddie City toy-store chain, sought protection from creditors Friday under U.S. bankruptcy laws. *(AP)*

FUR: *EC Bans 'Inhumane' Imports*

(Continued from first finance page)

bying by both animal-protection leagues and the world fur trade.

About 150 people joined a "fan of the ban" rally outside the EC meeting, organized by the World Society for the Protection of Animals. Brigitte Bardot recently drew a crowd at a Brussels news conference urging an early import ban.

"Leghold traps ensnare animals in spring-loaded steel jaws," the animal-protection group said. "Their victims are not killed outright but die slowly after hours, sometimes days of agony. Animals such as raccoons and martens can chew through their own legs in an attempt to escape."

The International Fur Trade Federation urged any import ban to take effect later in order to allow development of better trapping methods based on scientific research into animal welfare.

"Even if an EC import ban is introduced, trapping of most of the species will in fact continue in the producer countries as farmers and wildlife management experts undertake necessary population control programs," the industry group said.

SHOW: *Manufactures See Booming Demand for Ever-Larger Airplanes*

(Continued from first finance page)

growing, Mr. Condit said. Nine months ago, the company had an $80 billion backlog. Since then it has delivered 200 aircraft; today the backlog stands at $97 billion.

One question that has been raised in financial circles is to what extent banks are prepared to finance purchases for airlines, many of which are in financial difficulty. But at the air show, manufacturers are taking orders and will deal with the financing another day.

Indeed, as the air show got under way, Boeing announced further orders for 41 aircraft valued at $2.74 billion. Airbus has promised a "major announcement" for next week, which industry sources said probably would be that Federal Express, the U.S.-based overnight delivery service, plans to buy 25 Airbus jets.

Boeing announced Friday a contract for the sale of two of its projected twin-engine, wide-bodied 777 airliners, which would seat as many as 440 passengers, to the French charter company Euralair for delivery in 1997. No figure was put on the deal, but Boeing officials have said the 777, which is due to go into service in 1995, will be priced around $100 million each.

British Aerospace announced that it had sold three BAe 146-100 aircraft to Australian Airlink, a BAe 146-100 freighter to Safair Freighters of South Africa and a BAe 146-300 to Crossair of Switzerland. It valued the orders at $80 million.

Bob McKinlay, managing director of British Aerospace Commercial Aircraft, said there was a potential market for more than 2,000 aircraft in the 100-135 seat market, which the company is contesting with its BAe 146-NRA development.

WORLD STOCK MARKETS

Agence France Presse June 14

Amsterdam	Close	Prev.
ABN Amro Hld	38.30	38.20
ACF Holding	41.20	41.20
Aegon	121	121.70
Ahold	83.50	81.20
Akzo	117	117
AMEV	55	57
A'Dam Rubber	3.50	3.50
Bols	208.50	209
Buhrmann Tett	51.90	52
Center Parcs	26.25	26.50
CSM	85.50	85.20
DAF	25.20	25.10
DSM	116.60	116.40
Elsevier	85.60	85.80
Fokker	36.60	35.40
Gist-Brocades	34.90	35.20
Heineken	154	152.80
Hoogovens	40.40	40.10
Hunter Douglas	87.20	84.50
IHC Caland	61	61.80
Inter Mueller	81.30	81.20
Int'l Nederland	52.40	52.40
KLM	29.30	28.90
KNP	54.40	53.90
Nedlloyd	56	53.90
Oce Grinten	49.80	50
Pakhoed	194.50	194.50
Philips	32.30	32
Robeco	102.30	102.30
Rodamco	56.70	56.50
Rolinco	102.30	102
Rorento	66.50	66.50
Royal Dutch	159.70	159.30
Unilever	144.80	143.90
Van Ommeren	43.20	42.90
VMF Stork	46.40	45.80
VNU	77.30	76.70
Wessanen	81	80.30
Wolters/Kluwer	54.40	54.40

CBS Gen'l Trnd Index : 95.90
Previous : 95.30

Brussels	Close	Prev.
AG Fin	1970	1960
Arbed	4390	4350
Barco	1245	1225
Bekaert	9630	9600
Cockerill	192	189
Cobepa	5110	5150
Delhaize	8000	8000
Electrabel	4465	4475
GB-Inno-BM	1396	1392
GBL	3800	3730
Gevaert	7720	7140
Hoboken	11500	11800
Intercom	197.50	199.75
Kredietbank	4495	4475
Petrofina	11800	11750
Royal Belge	4110	4140
Soc Gen Banque	5120	5100
Soc Gen Belgique	2240	2230
Sofina	12400	12075
Solvay	13100	13075
Tractebel	3280	3252
UCB	17875	18000
Powerfin.	2335	2270

Current Stock Index : 5844.27
Previous : 5845.68

Frankfurt	Close	Prev.
AEG	202.50	197.50
Allianz Hold	2410	2410
Altana	603.50	595
Asko	874	846
BASF	255.50	254.70
Bayer	284.60	285.30
Bay. Hypo bank	371.50	372
Bay Vereinsbk	397	396
BBC	1300	1268
BHF Bank	409	407
BMW	525	522
Commerzbank	261	261.40
Continental	198.50	196
Daimler Benz	748	743.50
Degussa	372.80	372.10
Dt Babcock	188.90	188
Deutsche Bank	670.50	668
Douglas	826	820
Dresdner Bank	380.40	379.50
Harpener	335	335
Henkel	579.50	577.50
Hochtief	1429	1436
Hoechst	250.70	248.50
Hoesch	274	273
Holzmann	1535	1530
Horten	221	221
IWKA	335	337
Kali Salz	171	170
Karstadt	685	690
Kaufhof	550.50	558
KHD	193.50	191.50
Kloeckner Werke	156.50	152.50
Krupp Stahl	154	158
Linde	847	847
Lufthansa	135.50	135
MAN	309.50	307.50
Mannesmann	296.80	288.50
Metallgesell	[illegible]	531
Muench Rueck	2460	2455
Nixdorf	273.20	273.50
PKI	507	509.50
Porsche	865	848
Preussag	366.20	364
PWA	273	270.50
RWE	413.50	414
Rheinmetall	346	364
Schering	804.20	806.20
SEL	357	359
Siemens	646	642.10
Thyssen	245.70	242.70
Varta	356	355

Helsinki	Close	Prev.
Amer A	60.50	70
Enso-Gutzeit	19.50	19
K.O.P.	34	34
Kymmene	70	70
Metra	75.50	74.50
Nokia	111	118
Pohjola	90	86
Repola	56	55
Stockmann	134	130

HEX Index : 1029.40
Previous : 1022.50

Hong Kong	Close	Prev.
Bk East Asia	16.90	17
Cathay Pacific	8.40	8.40
Cavendish Int'l	3.53	3.53
Cheung Kong	16.90	16.50
China Light Pwr	19.70	19.80
Dairy Farm Int'l	11.10	11.10
Hang Lung Dev	7.05	7.15
Hang Seng Bank	26.80	26.80
Henderson Land	10.80	10.80
HK Air Eng.	16.20	16.40
HK China Gas	10.70	10.60
HK Electric	11.30	11.40
HK Land	8.15	8.15
HK Realty Trust	5.40	5.40
HK Shang Bank	26.60	26.70
HK Shang Hits	4.45	4.45
HK Telecomm	6.58	6.55
HK Ferry	4.18	4.18
Hutch Whampoa	14.50	14.50
Hysan Dev	6.40	6.45
Jardine Math.	33.75	33.75
Jardine Str Hld	18.20	18
Kowloon Motor	7.25	7.30
Mandarin Orient	4.50	4.58
Miramar Hotel	5.10	5.10
New World Dev	18.30	18.30
SHK Props	18.60	18.10
Stelux	3.58	3.65
Swire Pac A	19.60	19.40
Tai Cheung Prps	4.03	4.03
TVE	1.40	1.41
Wharf Hold	9	8.90
Wing On Co	7.95	7.95
Winsor Ind.	8.95	8.95
World Int'l	4.95	4.98

Hang Seng Index : 3439.15
Previous : 3482.53

Johannesburg	Close	Prev.
AECI	14.05	14.05
Altech	89.50	89.50
Anglo Amer	118.50	117
Barlows	41	41
Blyvoor	8.50	8.50
Buffels	39.50	40
De Beers	77.50	77.50
Driefontein	40.75	41.25
Gencor	12.15	11.95
GFSA	78.25	78
Harmony	20	20.50
Highveld Steel	16.25	16.25
Kloof	32	32.50
Nedbank Grp	13.85	13.85
Randfontein	13.75	14.25
Rusplat	76	76
SA Brews	52.15	52
St Helena	27.75	27.75
Sasol	14.25	14.25
Welkom	16.75	16.50
Western Deep	129.50	130

Composite Stock Index : 3284
Previous : 3261

London	Close	Prev.
Abbey Nat'l	2.75	2.75
Allied Lyons	5.52	5.57
Argyll Group	3.03	3.05
ASDA Group	1.06	1.04
Ass Brit Foods	5.35	5.34
BAA	4.37	4.34
BAe	5.83	5.90
Barclays	4.31	4.40
Bass	9.64	9.65
BAT	7.28	7.13
BET	1.79	1.73
Blue Circle	2.41	2.45
BOC Group	5.64	5.57
Boots	3.95	3.94
BP	3.33	3.32
Brit Airways	1.71	1.71
Brit Gas	2.49	2.50
Brit Steel	1.34	1.36
Brit Telecom	3.80	3.81
BTR	3.94	4.02
Cable Wire	5.46	5.35
Cadbury Sch	3.50	3.56
Comm Union	4.92	4.90
Courtaulds	4.03	4.01
Enterprise Oil	5.15	5.14
Eurotunnel	4.45	4.67
Fisons	4.95	4.90
GEC	1.93	1.93
Gen'l Acc	5.32	5.32
Glaxo	12.77	12.28
Grand Met	7.70	7.49
GRE	1.99	1.97
Guinness	9.83	9.87
GUS	15.10	15.10
Hanson Trust	2.16	2.19
Hawker Sidd	5.77	5.75
Hillsdown	2.26	2.27
ICI	12.90	12.75
Kingfisher	4.97	4.99
Ladbroke	2.67	2.63
Land Sec	5.05	5.03
Lasmo	3.29	3.21
Legal Gen Grp	4.31	4.28
Lloyds Bank	3.37	3.42
Lonrho	2.43	2.44
Lucas Ind	1.55	1.53
Marks Sp	2.54	2.50
Maxwell	2.07	2.07
MEPC	4.72	4.71
Midland Bk	2.12	2.13
Nat'l Power	1.41	1.39
NatWest	3.12	3.16
NthWst Water	2.86	2.90
PowerGen	1.47	1.45
Prudential	2.37	2.40
Racal Elec	2.19	2.23
Rank Org	6.82	6.80
Reckitt Col	15.85	15.85
Redland	5.43	5.73
Reed Int'l	4.30	4.34
Reuters	8.24	8.25
Rolls Royce	1.54	1.58
Rothmans	9.15	9.05
Royal Ins	4.36	4.28
Royal Scot	1.79	1.79
RTZ	5.47	5.54
Sainsbury	3.72	3.72
Scot Newcas	3.93	3.90
Sears Holds	0.78	0.78
Severn Trent	2.54	2.58
Shell	5.14	5.12
Smith Nephew	1.33	1.35
SmithKline B	7.80	7.87
Sun Alliance	3.68	3.64
Tarmac	2.23	2.21
Tate & Lyle	3.89	3.83
Tesco	2.76	2.80
THF	32.25	32.25
Thorn EMI	7.35	7.35
Trafalgar Hse	2.56	2.60
TSB Group	1.48	1.47
Ultramar	2.85	2.85
Unilever	7.42	7.42
Utd Biscuits	3.61	3.61
War Loan 3½	34.31	34.25
Wellcome	6.40	6.16
Whitbread	5.01	5.01
Williams Hdgs	3.06	3.07

F.T. 30 Index : 1976.30
Previous : 1978.00
F.T.S.E. 100 Index : 2522.30
Previous : 2514.60

Madrid	Close	Prev.
Bco. Bilbao/Viz.	3380	3355
Banco Central	4215	4245
Bco. Santander	5390	5400
Banesto	3980	4020
CEPSA	2325	2310
Dragados	2850	2845
Iberduero	691	690
Telefonica	997	1010

S.E. General Index : 284.00
Previous : 284.38

Milan	Close	Prev.
Alenia	2890	2890
Banca Comm	4901	4950
Bastogi	235	239
Cigahotels	2854	2861
CIR	3050	2990
Cred Ital	2745	2725
Enichem	1490	1470
Eridania	7320	7605
Ferfin	2310	2305
Ferfin Risp	1405	1438
Fiat SPA	6530	6570
Generali	35350	35650
IFI	16675	17000
Italcem	23000	23000
Italgas	3179	3180
Italmobiliare	75900	75800
Mediobanca	16450	16615
Montedison	1509	1525
Olivetti	4150	4185
Pirelli	2010	2015
RAS	20650	20730
Rinascente	7250	7250
Saipem	1605	1600
SIP	1260	1287
SME	3710	3180
Snia	1580	1590
Standa	35480	35550
Stet	2160	2145
Toro Assi Risp	25400	26110

MIB current index : 1182
Previous : 1188

Montreal	Close	Prev.
Alcan Aluminium	24	23½
Bank Montreal	35⅞	36⅛
Bell Canada	42⅛	42
Bombardier A	23	22
Bombardier B	22⅞	22
Cambior	10	10⅛
Cascades	4.65	4.45
Dominion Text A	8⅛	8⅛
Donohue	N.Q.	—
MacMillan Bl	20⅜	20⅜
Memotec	9½	9⅛
Nat'l Bk Canada	11⅛	11¼
Power Corp.	16½	16½
Provigo	12½	12⅝
Quebec Tel	15⅛	15½
Quebecor A	N.Q.	18
Quebecor B	16½	16¼
Videotron	14⅛	14¼

Industrials Index : 1561.50
Previous : 1541.29

Paris	Close	Prev.
Accor	798	799
Air Liquide	683	679
Alcatel Alsthom	588	586
Avions Dassault	470	471
Bancaire (Cie)	521	507
BIC	736	735
Bongrain	2387	2425
Bouygues	612	612
BSN-GD	903	903
Carrefour	2086	2087
Cerus	134	132.90
Chargeurs	773	783
Club Med	462.50	463.90
Elf-Aquitaine	368.90	365.20
Europe 1	1075	1070
Gen. Eaux	2700	2688
Hachette	191.40	189.60
Havas	490	497.50
Imetal	326	334
Lafarge Coppee	399.50	393
Legrand	3550	3585
Oreal (L')	598	591
L.V.M.H.	4300	4286
Matra	226	233
Merlin Gerin	502	492.10
Michelin B	106.40	107.50
Moulinex	145	145
Occidentale	792	792
Paribas	465.50	452.50
Pernod-Ricard	1204	1187
Perrier	1519	1520
Peugeot	622	625
Printemps (Au)	625	624
Radiotechnique	528	520
Raff. St. Louis	1507	1507
Redoute (La)	3680	3699
Roussel Uclaf	2010	2000
Saint Gobain	458.50	453
Sanofi	890	884
S.E.B.	1605	1594
Skis Rossignol	676	677
Ste Generale A	410.50	411.70
Suez	367.50	367
Thomson-CSF	148	148
Total	818	819
Valeo	475	473

CAC 40 Index : 1858.17
Previous : 1847.34

Sao Paulo	Close	Prev.
Banco do Brasil	82.50	81
Bradesco	8.17	7.35
Brahma	39.40	38.60
Paranapanema	4.36	4.21
Petrobras	901	877
Vale Rio Doce	159	160
Varig	34.40	33

Bovespa Index : 12572
Previous : 12174

Singapore	Close	Prev.
City Dev.	3.50	3.58
DBS	12.20	12.10
Fraser Neave	8.80	8.75
Harrisons Plant	1.37	1.33
Haw Par	2.51	2.51
Hume	3.48	3.46
Inchcape	4.44	4.42
Keppel	7.80	7.85
KL Kepong	2.73	2.69
Lum Chang	1.15	1.16
Malayan Banking	4.70	4.46
OCBC	8.80	8.80
OUB	5.45	5.50
OUE	7.45	7.50
Sembawang	7.85	6.95
Shangrila	4.10	4.15
Sime Darby	2.50	2.46
SIA	12.50	13.40
S'pore Land	6.30	6.15
S'pore Press	9	9
Sing Steamship	2.96	2.96
Straits Trading	1.98	2.03
UOB	4.80	4.85
United Overseas	1.49	1.49

Straits Times Ind. : 1537.98
Previous : 1536.27

Stockholm	Close	Prev.
AGA	315	315
Alfa Laval	254	255
Asea	578	585
Astra-A	588	592
Atlas Copco	275	250
Electrolux B	275	275
Ericsson	198	198
Esselte-A	150	148
Handelsbanken	121	125
Norsk Hydro	198	197.50
Procordia AF	195	196
Saab-Scania	290	290
Sandvik	335	336
SCA-A	115	117
S-E Banken	72.50	72.50
Skandia F	180	178
Skanska	370	365
SKF	109	111
Stora	370	370
Trelleborg B	135	134
Volvo	366	366

Affaersvaerlden : 1095.10
Previous : 1100.00

Sydney	Close	Prev.
ANZ	3.58	3.49
BHP	12.50	12.45
Boral	3.34	3.30
Bougainville	0.81	0.81
Coles Myer	11	10.90
Comalco	3.75	3.70
CRA	13.85	12.75
CSR	5.48	5.42
Dunlop	5.24	5.12
Fosters Brew	1.53	1.50
ICI Australia	4.06	4.08
Magellan	2.10	2.10
MIM	1.78	1.72
Nat Aust Bank	6.64	6.62
News Corp	8.20	8.30
Nine Network	8.53	8.52
N Broken Hill	2.18	2.15
Poseidon	1.24	1.25
QCT Resources	1.23	1.24
Santos	3.52	3.49
TNT	1.01	0.92
Western Mining	4.95	4.82
Westpac Banking	4.54	4.50
Woodside	3.33	3.33

All ordinaries index : 1587.40
Previous : 1580.30

Tokyo	Close	Prev.
Akai Electr	1220	1240
Asahi Chemical	770	761
Asahi Glass	1340	1300
Bank of Tokyo	1410	1390
Bridgestone	1080	1070
Canon	1560	1540
Casio	1480	1490
C.Itoh	660	651
Dai Nippon Print	1560	1580
Daiwa House	1870	1900
Daiwa Securities	1250	1290
Fanuc	5520	5550
Fuji Bank	2480	2700
Fuji Photo	3450	3460
Fujitsu	1100	1120
Hitachi	1140	1140
Hitachi Cable	1160	1160
Honda	1580	1490
Ito Yokado	4470	4320
Japan Airlines	1150	1120
Kajima	1500	1510
Kansai Power	2830	2780
Kawasaki Steel	411	417
Kirin Brewery	1490	1470
Komatsu	869	860
Kubota	740	740
Kyocera	6530	6520
Matsu Elec Inds	1690	1680
Matsu Elec Wks	1590	1580
Mitsubishi Bk	2750	2760
Mitsubishi Kasei	590	583
Mitsubishi Elec	725	720
Mitsubishi Hev	723	721
Mitsubishi Corp	1270	1280
Mitsui and Co	745	738
Mitsukoshi	1270	1250
Mitsumi	1650	1670
NEC	1460	1460
NGK Insulators	1120	1130
Nikko Securities	1010	1010
Nippon Kogaku	1250	1270
Nippon Oil	1060	1050
Nippon Steel	430	423
Nippon Yusen	635	610
Nissan	732	725
Nomura Sec	2010	1990
NTT (SF)	9470	9530
Olympus Optical	1280	1270
Pioneer	4070	4050
Ricoh	737	737
Sanyo Elec	579	575
Sharp	1590	1570
Shimazu	805	806
Shinetsu Chem	1670	1660
Sony	6260	6350
Sumitomo Bk	2380	2250
Sumitomo Chem	495	495
Sumi Marine	936	959
Sumitomo Metal	459	459
Taisei Corp	944	944
Taisho Marine	966	969
Takeda Chem	1530	1530
TDK	6000	6020
Teijin	590	585
Tokyo Marine	1240	1230
Tokyo Elec Pw	3690	3690
Toppan Printing	1460	1470
Toray Ind.	633	625
Toshiba	738	744
Toyota	1830	1820
Yamaichi Sec	1000	1000

Nikkei 225 : 25096
Previous : 24986
Topix Index : 1927
Previous : 1911

Toronto	Close	Prev.
Abitibi Price	15½	16
Agnico Eagle	5⅞	6⅛
Air Canada	9⅞	9⅞
Alberta Energy	13⅛	13⅛
Am Barrick Res	24⅜	25⅜
BCE	42	42⅛
BCED	0.12	0.12
Bk Nova Scotia	17¼	17⅛
BC Gas	15⅛	15⅛
BC Phone	19⅛	19⅜
BP Canada	14⅛	14⅝
Bramalea	7	7
Brunswick	7⅝	N.Q.
CAE	6⅝	6⅝
Campeau	0.47	0.49
CIBC	31⅛	31⅜
Canadian Pacific	20	19⅞
Can Packers	15⅞	15⅞
Can Tire A	25	24⅞
Canadian Turbo	2½	2½
Cenfor	27⅛	27¼
Cora	18⅝	19¼
CCL Ind B	11¼	11⅛
Cineplex	6⅛	6⅞
Cominco	25	25
Conwest Expl A	13⅜	N.Q.
Corona A	N.Q.	—
Denison Min B	0.35	0.35
Dickenson Min A	N.Q.	2.85
Dofasco	20⅝	20⅞
Dylex A	4.70	4.65
Echo Bay Mines	10⅛	10½
Equity Silver A	1.11	1.15
FCA Int'l	6	6
Fed Ind A	7	6½
Fletcher Chall A	18	18
FPI	7¼	7⅛
GoldCorp	3.40	3.45
Gulf Cda Res	9	9
Hees Int'l	19⅛	19⅛
Hemlo Gld Mines	10⅛	10¼
Hollinger	12⅛	12⅛
Horsham	10⅛	11
Hudson's Bay	34½	34½
Imasco	31⅛	31⅜
Inco	40⅛	40⅛
Interprov pipe	29⅛	29⅛
Jannock	16½	16⅝
Labatt	23⅝	23⅜
Loblaw Co	20½	20½
Mackenzie	6⅞	7
Magna Intl A	11⅛	11⅛
Maritime	19	19
Mark Res	7⅛	7⅛
MacLean Hunter	10⅛	10⅛
Molson A	44	44
Noma Ind A	8⅛	7⅞
Noranda	19⅝	20
Noranda Forest	10	10⅛
Norcen Energy	22⅛	22½
Nova Corp	9	9
Oshawa	29⅛	29⅛
Pagurian A	6⅛	6⅛
Placer Dome	15⅛	15⅛
Poco Petroleum	7⅛	7⅛
PWA Corp	7⅛	7⅛
Quebec Sturgeon	0.32	0.32
Rayrock	8⅛	7⅞
Renaissance	15⅛	15⅛
Rogers B	10⅛	11
Rothmans	59⅝	59⅛
Royal Bank Can	25⅛	25⅛
Royal TrustCo	10⅛	10⅛
Sceptre Res	3⅛	3⅛
Scott's Hosp	18⅛	17⅞
Seagram	122⅛	120⅞
Sears Can	13⅛	13⅛
Shell Can	42⅛	42⅛
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	6½	6¾
Southam	18⅛	18⅛
Spar Aerospace	12⅛	12⅛
Stelco A	7⅛	7⅛
Teck B	22⅛	22½
Thomson News	15⅛	16
Toronto Domn	19⅛	19⅛
Torstar B	25	24⅞
Transalta Util	12½	12⅛
TransCda Pipe	17⅛	17⅛
Trilon Finl A	12⅛	12½
Trimac	8⅛	8⅛
Trizec A	14⅛	14⅛
Unicorp A	0.99	0.95
Woodward's Ltd	3.60	3.60

TSE 300 Index : 3557.80
Previous : 3552.70

Zurich	Close	Prev.
Adia Int'l	761	760
Alusuisse	1180	1155
Leu Holdings	1610	1580
Brown Boveri	4520	4490
Ciba Geigy	3030	2940
CS Holdings	1915	1895
Elektrow	2900	2900
Fischer	1530	1515
Interdiscount	3240	3250
Jacobs Suchard	8500	8500
Jelmoli	1415	1440
Landis Gyr	1115	1105
Moevenpick	4370	4310
Nestle	8410	8520
Oerlikon-B	495	480
Pargesa Hld	1200	1180
Roche Holding B	4805	4755
Safra Republic	87	87
Sandoz	2260	2240
Schindler	5470	5410
Sulzer	408	406
Surveillance	8160	8130
Swissair	815	800
SBC	332	329
Swiss Reinsur	365	362
Swiss Volksbank	1400	1380
Union Bank	3650	3620
Winterthur	4030	4020
Zurich Ins	2240	2220

SBS Index : 628.90
Previous : 621.70

U.S. FUTURES

Via Associated Press June 14

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.53	2.62	Jul	2.97	2.97	2.92½	2.93	—.05
3.26	2.69½	Sep	3.01	3.02¼	2.98½	2.98¾	—.05
3.25	2.81½	Dec	3.12¾	3.13¼	3.09	3.10¼	—.03½
3.70¼	2.89¼	Mar	3.16½	3.18	3.14½	3.15	—.03¾
3.31	3.07¼	May	3.13	3.13	3.08	3.08¼	—.04½
3.11	3.02	Jul	3.01¼	3.03	3.00	3.00	—.03
Est.Sales		Prev.Sales 17,246					
Prev.Day Open Int. 61,705 up 1,331							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Jul	2.91	2.92	2.88	2.88¼	—.04
		Sep	2.96	2.97	2.92½	2.93½	—.03¾
		Dec	3.06½	3.06¾	3.02½	3.02½	—.05¼
		Mar	3.10	3.10	3.06½	3.06½	—.04¼
		May	3.03½	3.03½	3.00	3.00	—.03
		Jul	2.96½	2.97	2.96	2.96	—.03¼
Est.Sales		Prv.Sales 3,616		Prev.Day Open Int 26,841			Chg. +401
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.08¼	2.35½	Jul	2.40¼	2.42	2.40½	2.41¾	+.01
2.87½	2.38¼	Sep	2.41¼	2.42¼	2.40½	2.41¼	+.00¼
2.75	2.40	Dec	2.41	2.43	2.40½	2.42	+.01
2.75¼	2.47½	Mar	2.48	2.51	2.48	2.50	+.01½
2.79½	2.52½	May	2.53	2.55½	2.53	2.55½	+.02
2.82	2.57	Jul	2.57½	2.60¼	2.57½	2.60¼	+.02
2.59	2.54	Sep				2.56½	+.01½
2.59¼	2.52½	Dec	2.54	2.55½	2.53	2.55½	+.01½
Est. Sales		Prev. Sales 42,627					
Prev. Day Open Int.202,922 up 817							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.18	5.67½	Jul	5.70½	5.73	5.66½	5.67½	—.04
6.95	5.71	Aug	5.75½	5.76½	5.70	5.70½	—.04½
6.54	5.72½	Sep	5.76½	5.77¼	5.71¼	5.71¼	—.03¼
6.74	5.79	Nov	5.81	5.85	5.77	5.78	—.04
6.49½	5.90¾	Jan	5.92	5.95¾	5.89	5.89	—.04
6.60	6.01	Mar	6.02½	6.06	5.99½	5.99½	—.03¾
6.62½	6.10½	May	6.12½	6.14½	6.10	6.10	—.02¾
6.20¾	5.94	Nov	6.00	6.00	5.97	5.96½	—.00½
Est. Sales		Prev. Sales 28,812					
Prev. Day Open Int.101,855 off 1,828							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
209.00	167.90	Jul	172.90	174.40	172.70	173.30	
195.50	169.90	Aug	174.20	175.40	173.80	174.10	—.20
193.50	171.70	Sep	175.30	175.50	174.30	174.40	—1.00
189.00	172.50	Oct	175.80	176.20	175.00	175.10	—.90
191.50	174.00	Dec	177.80	178.40	177.00	177.20	—.70
190.50	177.00	Jan	178.80	179.40	178.20	178.20	—.90
1180.00	178.80	Mar	180.70	180.70	179.50	180.00	—1.00
191.00	179.00	May	180.50	180.50	180.50	180.50	—2.20
181.50	181.50	Jul	184.00	184.00	183.00	182.50	—1.00
Est. Sales		Prev. Sales 10,574					
Prev. Day Open Int. 54,603 off 285							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.60	19.52	Jul	19.62	19.74	19.31	19.33	—.34
25.50	19.70	Aug	19.80	19.92	19.48	19.49	—.35
25.10	19.87	Sep	19.92	20.08	19.67	19.67	—.33
24.90	20.18	Oct	20.16	20.26	19.93	19.86	—.30
24.05	20.48	Dec	20.50	20.63	20.25	20.25	—.29
24.15	20.73	Jan	20.70	20.78	20.67	20.42	—.28
23.80	20.10	Mar	21.00	21.10	20.75	20.75	—.25
23.62	21.28	May	21.15	21.15	21.00	21.00	—.30
22.50	21.45	Jul				21.20	—.32
22.10	22.10	Aug				21.25	—.30
Est. Sales		Prev. Sales 13,626					
Prev. Day Open Int. 72,444 up 830							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.37	72.15	Jun	74.90	74.90	74.60	74.82	
75.80	70.35	Aug	73.75	73.75	73.25	73.47	—.10
74.90	70.70	Oct	75.42	75.45	75.07	75.22	—.05
77.00	71.75	Dec	76.20	76.25	75.92	75.92	—.05
76.70	72.80	Feb	75.67	75.72	75.50	75.72	—.05
77.00	75.25	Apr	76.05	76.17	75.95	76.12	—.03
75.15	73.82	Jun	74.32	74.57	74.32	74.57	—.03
Est. Sales		Prev. Sales 14,553					
Prev. Day Open Int. 69,326 off 488							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
89.00	80.50	Aug	88.70	88.77	88.42	88.45	—.07
88.10	79.75	Sep	87.55	87.70	87.35	87.45	—.10
87.90	80.20	Oct	87.20	87.30	87.02	87.27	+.02
87.85	81.30	Nov	87.20	87.25	87.00	87.20	+.05
87.80	84.00	Jan	87.15	87.15	87.05	87.10	—.05
87.10	84.75	Mar	86.00	86.20	86.00	86.20	—.12
87.00	84.50	Apr	85.85	85.85	85.85	85.95	—.15
86.50	85.00	May	85.30	85.30	85.30	85.20	—.15
Est. Sales		Prev. Sales 1,811					
Prev. Day Open Int. 13,598 off 14							
HOGS (CME) 40,000 lbs.- cents per lb.							
59.30	47.70	Jun	56.75	56.75	56.32	56.47	—.08
58.37	48.30	Jul	54.35	54.45	54.20	54.27	+.12
55.50	46.90	Aug	51.15	51.20	50.80	50.85	—.07
49.55	42.90	Oct	46.15	46.30	46.00	46.20	+.08
48.92	44.50	Dec	46.75	46.85	46.60	46.62	
48.25	44.50	Feb				46.50	
46.62	44.90	Apr	44.85	45.00	44.85	44.85	—.05
50.60	49.00	Jun	49.05	49.05	49.05	49.05	
Est. Sales		Prev. Sales 8,863					
Prev. Day Open Int. 21,361 off 188							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
72.80	50.75	Jul	56.20	56.75	55.50	55.62	—.20
70.05	51.60	Aug	53.85	54.35	52.90	53.00	—.37
63.00	53.65	Feb	54.05	54.60	53.50	53.65	—.15
61.00	53.60	Mar	53.40	53.40	53.40	53.20	—.30
58.20	53.20	May				52.80	—.40
57.00	56.50	Jul				52.90	—.60
Est. Sales		Prev. Sales 4,525					
Prev. Day Open Int. 10,522 up 12							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
111.50	83.90	Jul	84.50	84.70	83.90	84.30	—.20
113.50	86.00	Sep	86.70	86.90	86.05	86.60	—.05
116.00	89.15	Dec	90.20	90.20	89.40	89.90	—.30
107.50	92.20	Mar	93.00	93.10	92.65	93.10	—.10
108.00	94.50	May	95.25	95.25	94.95	95.15	—.10
108.00	97.00	Jul				97.00	—.45
108.00	98.75	Sep	98.85	98.85	98.85	98.90	—.10
Est. Sales		Prev. Sales 5,281					
Prev. Day Open Int. 45,094 off 530							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.90	7.55	Jul	9.45	9.63	9.22	9.34	—.15
14.40	7.45	Oct	8.53	8.64	8.28	8.37	—.22
10.14	7.56	Mar	8.40	8.50	8.22	8.25	—.14
9.77	7.65	May	8.45	8.52	8.26	8.28	—.16
8.85	7.85	Jul	8.45	8.55	8.55	8.41	—.14
8.55	8.05	Oct				8.61	—.14
Est. Sales		Prev. Sales 34,405					
Prev. Day Open Int.106,745 up 1,980							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1590	929	Jul	933	940	911	914	—23
1515	970	Sep	975	981	965	966	—14
1535	1014	Dec	1020	1027	1015	1017	—5
1538	1061	Mar	1070	1071	1064	1064	—6
1385	1092	May	1091	1095	1090	1094	—3
1385	1120	Jul	1130	1130	1120	1130	
1220	1150	Sep				1158	—2
		Dec				1201	—2
		Mar				1241	—2
		May	1292	1282	1282	1265	+7
Est.Sales		Prev. Sales 9,575					
Prev. Day Open Int. 49,285 up 947							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
180.00	102.50	Jul	114.80	116.55	114.80	116.10	+.95
127.00	106.00	Sep	117.10	118.75	117.00	117.80	+.40
121.00	111.00	Nov	117.40	118.00	117.40	117.80	+.25
120.50	113.40	Jan	117.65	117.75	117.10	117.05	+.10
120.80	113.60	Mar	116.50	117.50	117.50	117.05	+.10
117.00	117.00	May				117.05	+.10
Est.Sales		Prev.Sales 817					
Prev. Day Open Int. 6,269 off 98							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
115.00	96.00	Jun	98.40	99.10	98.40	98.70	—.30
113.50	96.05	Jul	98.60	99.50	98.45	98.95	—.30
109.00	96.10	Aug	98.25	98.25	97.85	97.85	—.40
110.50	95.40	Sep	97.50	98.10	97.30	97.50	—.40
106.90	95.30	Oct	97.55	97.55	97.55	97.05	—.40
105.00	95.10	Nov	97.25	97.25	97.25	96.45	—.40
108.50	94.50	Dec	96.50	96.85	94.80	96.45	—.45
104.50	95.00	Jan	96.10	96.10	96.10	95.85	—.40
105.70	95.00	Feb				95.40	—.40
106.80	93.50	Mar	95.40	95.75	95.40	95.80	—.40
99.10	93.50	Apr				94.60	—.40
106.20	93.30	May	94.65	94.90	94.65	94.25	—.40
102.80	92.80	Jul	94.20	94.20	94.20	93.65	—.40
102.45	92.80	Sep	93.40	93.50	93.40	93.10	—.40
100.50	91.60	Dec	93.00	93.00	93.00	92.60	—.40
93.30	93.30	Jan				92.30	—.40
96.45	92.80	Mar				92.05	—.40
Est. Sales		Prev. Sales 8,584					
Prev. Day Open Int. 40,641 up 274							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
455.0	389.5	Jun	443.0	443.0	443.0	441.8	—9.3
667.5	380.1	Jul	450.0	452.5	435.5	442.7	—9.5
		Aug				445.5	—9.5
654.0	367.5	Sep	456.0	458.0	441.0	448.2	—9.6
623.5	374.0	Dec	464.0	466.8	448.5	456.1	—9.7
596.0	402.0	Jan				458.5	—9.7
613.0	382.0	Mar	466.0	467.5	457.0	464.7	—9.8
589.0	385.0	May	475.0	475.0	465.8	470.6	—9.9
557.0	395.0	Jul	481.0	481.0	472.5	476.5	—10.0
482.5	412.0	Sep				483.1	—10.0
507.0	408.0	Dec	498.0	498.0	493.0	493.2	—10.0
505.0	440.0	Jan				496.8	—10.0
513.0	457.0	Mar	513.0	513.0	505.0	503.6	—10.0
Est. Sales		Prev. Sales 20,565					
Prev. Day Open Int.110,007 up 154							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
383.50	364.00	Jun	367.80	367.80	367.80	368.90	—6.10
528.50	372.20	Jul	368.50	370.50	366.80	369.10	—6.10
513.00	376.40	Oct	370.50	375.00	370.50	373.70	—6.00
451.50	380.80	Jan	374.50	378.50	374.50	378.00	—5.00
438.50	384.80	Apr	378.00	383.00	378.00	382.00	—5.00
427.50	388.80	Jul				384.00	—5.00
Est. Sales		Prev. Sales 2,870					
Prev. Day Open Int. 18,071 up 334							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
126.25	80.00	Jun				95.80	
119.40	80.75	Sep	96.50	97.00	96.25	96.90	
114.50	82.50	Dec	97.90	98.40	97.50	98.00	
135.75	88.75	Mar	99.00	99.00	99.80	99.80	
100.50	100.50	Jun				100.50	
Est. Sales		Prev. Sales 271					
Prev. Day Open Int. 4,381 up 38							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
446.20	357.60	Jun	369.80	369.00	367.20	367.10	—3.10
365.50	357.00	Jul				368.20	—3.10
482.00	359.30	Aug	371.50	372.10	368.40	369.80	—3.10
476.00	359.30	Oct	375.00	375.20	371.60	373.00	—3.20
483.00	362.00	Dec	378.80	379.00	373.30	376.60	—3.30
452.50	366.00	Feb	379.70	379.70	378.90	380.00	—3.40
446.00	369.70	Apr	385.10	385.10	383.30	383.40	—3.40
467.00	375.00	Jun	387.50	387.50	387.50	386.96	—3.50
426.50	377.50	Aug				390.50	—3.60
410.80	389.50	Oct				394.20	—3.60
406.80	383.50	Dec				398.20	—3.60
		Feb				402.40	—3.60
410.00	404.50	Apr				406.50	—3.60
Est. Sales		Prev. Sales 16,715					
Prev. Day Open Int. 95,156 up 1,366							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.62	91.52	Jun	94.34	94.39	94.36	94.36	—.01
94.55	91.60	Sep	94.20	94.24	94.19	94.22	+.04
94.16	92.24	Dec	93.74	93.81	93.74	93.81	+.08
94.03	93.42	Mar				93.70	+.08
93.50	93.15	Jun				93.30	+.07
		Sep				93.20	
Est. Sales		Prev. Sales 11,347					
Prev. Day Open Int. 51,168 off 148							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
01.285	99.010	Jun	100.015	100.045	100.010	100.040	+.245
00.230	98.275	Sep	99.095	99.155	99.085	99.145	+.060
98.275	98.190	Dec				98.290	+.060
Est. Sales		Prev. Sales 9,404					
Prev. Day Open Int. 64,061 off 1,153							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-27	93-18	Jun	97-16	97-26	97-16	97-23	+10
100-1	96-1	Sep	96-23	97-3	96-23	97	+10
98-12	95-15	Dec	96-4	96-13	96-4	96-13	+10
97-5	95-8	Mar				95-28	+10
Est. Sales		Prev. Sales 41,412					
Prev. Day Open Int. 83,307 up 184							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-4	82-18	Jun	93-12	93-28	93-12	93-26	+16
99-5	85-29	Sep	92-21	93-3	92-17	93	+16
98-20	85-19	Dec	91-26	92-11	91-26	92-10	+16
98-13	85-14	Mar	91-17	91-25	91-16	91-24	+16
97-19	85-3	Jun	91-1	91-8	91	91-8	+16
95-8	87-14	Sep	90-19	90-25	90-16	90-25	+16
94-17	85-6	Dec	90-5	90-11	90-5	90-11	+15
Est. Sales		Prev. Sales411,349					
Prev. Day Open Int.264,755 up 2,527							
MUNICIPAL BONDS (CBT) $1000x index- pts & 32nds of 100 pct							
92-2	84-26	Jun	91-5	91-10	91-5	91-8	+6
92-11	84-7	Sep	89-24	90-2	89-22	90	+10
91-11	88-16	Dec	89-4	89-8	89-6	89-6	+12
Est. Sales		Prev. Sales 4,465					
Prev. Day Open Int. 6,892 off 142							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
93.96	89.91	Jun	93.76	93.81	93.76	93.81	+.06
93.77	90.04	Sep	93.43	93.49	93.41	93.47	+.07
93.33	90.04	Dec	92.82	92.91	92.81	92.89	+.10
93.17	90.09	Mar	92.65	92.77	92.64	92.75	+.13
92.77	90.25	Jun	92.27	92.33	92.20	92.31	+.13
92.44	90.32	Sep	91.84	91.93	91.84	91.93	+.10
92.10	90.24	Dec	91.54	91.63	91.55	91.62	+.06
92.03	90.28	Mar	91.56	91.61	91.56	91.60	+.05
91.89	90.27	Jun	91.45	91.51	91.45	91.49	+.04
91.81	90.27	Sep	91.33	91.39	91.33	91.37	+.04
91.44	90.22	Dec	91.13	91.19	91.13	91.17	+.04
91.46	90.24	Mar	91.13	91.19	91.13	91.17	+.04
91.57	90.40	Jun	91.04	91.10	91.04	91.09	+.05
91.52	90.36	Sep	90.97	91.02	90.97	91.02	+.05
91.44	90.71	Dec	90.83	90.88	90.83	90.88	+.05
91.08	90.75	Mar	90.80	90.86	90.80	90.85	+.05
Est. Sales		Prev. Sales274,451					
Prev. Day Open Int.890,489 up 12,597							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9600	1.6260	Jun	1.6300	1.6412	1.6280	1.6328	—54
1.9240	1.6070	Sep	1.6090	1.6230	1.6084	1.6128	—58
1.7900	1.5910	Dec	1.5950	1.6070	1.5950	1.5980	—62
		Mar				1.5850	—62
Est. Sales		Prev. Sales 23,418					
Prev. Day Open Int. 42,165 off 278							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8745	.7995	Jun	.8749	.8753	.8742	.8750	+8
.8696	.7985	Sep	.8706	.8702	.8697	.8696	+3
.8650	.8175	Dec	.8654	.8658	.8643	.8649	+1
.8606	.8268	Mar				.8607	—1
.8575	.8330	Jun				.8570	—3
.8480	.8420	Sep				.8534	—5
Est. Sales		Prev. Sales 14,198					
Prev. Day Open Int. 38,280 up 1,535							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6820	.5525	Jun	.5553	.5602	.5545	.5577	—2
.6810	.5486	Sep	.5511	.5564	.5505	.5532	—2
.6770	.5455	Dec	.5483	.5522	.5475	.5500	—2
.5840	.5425	Mar				.5474	—2
Est. Sales		Prev. Sales 82,397					
Prev. Day Open Int. 94,927 off 3,139							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008010	.006645	Jun	.007087	.007127	.007084	.007104	+22
.007970	.007003	Sep	.007058	.007101	.007055	.007076	+22
.007397	.006977	Dec	.007070	.007087	.007062	.007062	+22
.007202	.007080	Mar				.007063	+22
.007220	.007150	Jun				.007067	+22
Est. Sales		Prev. Sales 34,760					
Prev. Day Open Int. 68,339 off 720							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8084	.6461	Jun	.6476	.6533	.6476	.6496	—22
.8055	.6432	Sep	.6447	.6506	.6440	.6465	—21
.8090	.6409	Dec	.6420	.6440	.6420	.6442	—21
.6995	.6541	Mar				.6429	—21
Est. Sales		Prev. Sales 35,220					
Prev. Day Open Int. 55,108 up 999							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
94.45	65.67	Jul	83.80	84.95	83.76	84.35	+.30
82.30	64.77	Oct	78.00	79.46	78.00	78.92	+1.15
76.55	63.75	Dec	74.00	74.85	73.90	74.60	+.80
77.15	64.65	Mar	74.80	75.60	74.60	75.40	+.80
92.25	65.10	May	75.40	75.80	75.40	75.65	+.73
77.70	64.50	Jul	75.70	76.10	75.70	75.80	+.42
		Oct				66.75	
Est. Sales		Prev. Sales 4,717					
Prev. Day Open Int. 46,900 off 599							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.00	48.00	Jul	53.65	54.05	53.25	53.70	+.26
86.07	49.00	Aug	54.50	55.00	54.25	54.40	—.02
84.25	50.25	Sep	56.10	56.40	55.80	55.80	—.22
85.00	51.30	Oct	57.35	57.80	57.20	57.40	+.08
78.00	52.30	Nov	58.50	59.00	58.30	58.50	—.02
80.42	53.40	Dec	59.90	60.00	59.15	59.25	—.36
68.50	53.40	Jan	59.90	60.30	59.75	59.75	—.31
61.30	52.25	Feb	59.10	59.10	58.75	58.75	—.11
59.50	51.40	Mar	56.75	56.85	56.45	56.45	—.27
57.50	50.00	Apr	55.00	55.00	54.65	54.75	+.04
55.75	48.25	May	53.25	53.25	53.30	53.30	+.04
55.20	48.00	Jun	52.55	52.55	52.55	52.55	+.19
56.00	52.15	Jul	52.30	52.20	52.30	52.30	+.19
53.40	53.40	Aug	52.75	52.75	52.75	52.75	+.04
Est. Sales		Prev. Sales 22,864					
Prev. Day Open Int.107,044 up 2,920							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
30.40	16.80	Jul	19.78	19.81	19.64	19.70	—.01
29.50	16.90	Aug	19.88	19.92	19.75	19.82	
28.72	16.90	Sep	20.10	20.13	20.00	20.03	—.04
28.40	17.04	Oct	20.34	20.35	20.22	20.22	—.09
28.10	17.20	Nov	20.50	20.50	20.40	20.41	—.05
27.70	17.10	Dec	20.52	20.55	20.40	20.41	—.07
27.60	17.25	Jan	20.48	20.50	20.40	20.32	—.07
24.50	17.50	Apr	20.18	20.20	20.20	20.15	—.10
24.60	17.30	May	20.15	20.20	20.16	20.16	—.10
24.50	17.70	Jun	20.15	20.15	20.14	20.14	—.09
22.11	17.90	Jul	20.15	20.20	20.15	20.18	—.04
21.35	18.85	Oct	20.24	20.24	20.24	20.24	—.02
Est. Sales		Prev. Sales 80,440					
Prev. Day Open Int.293,745 up 2,226							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
82.78	53.25	Jul	62.70	62.75	62.20	62.32	—.02
90.90	52.50	Aug	61.10	61.25	60.75	60.97	+.07
87.00	51.60	Sep	59.60	59.65	59.30	59.53	+.02
86.75	49.75	Oct	57.40	57.60	57.25	57.40	—.10
64.75	48.60	Nov	56.40	56.60	56.20	56.15	—.10
75.25	47.75	Dec	55.25	55.55	55.20	55.25	—.05
58.00	47.00	Jan	55.25	55.45	55.20	54.75	—.05
58.70	50.70	Feb	55.60	55.60	55.60	55.10	—.10
59.00	50.50	Mar				54.35	—.10
63.40	57.30	Apr				58.35	—.10
63.00	57.30	May				60.30	—.15
61.00	58.00	Jun				60.00	—.15
59.75	59.50	Jul				59.35	—.25
58.00	58.00	Aug				58.25	—.30
Est. Sales		Prev. Sales 16,871					
Prev. Day Open Int. 76,517 off 283							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
393.50	300.90	Jun	379.00	382.90	379.00	382.30	+4.00
396.05	304.00	Sep	382.20	385.75	382.10	385.10	+4.10
399.05	321.75	Dec	384.90	387.90	384.90	388.05	+4.05
401.05	386.20	Mar	390.30	390.30	390.30	391.25	+4.05
Est. Sales		Prev. Sales 64,055					
Prev. Day Open Int.159,247 off 1,546							
NYSE COMP. INDEX (NYFE) points and cents							
215.25	145.85	Jun	208.10	210.00	208.10	209.85	+2.25
216.40	173.10	Sep	209.40	211.35	209.35	211.25	+2.40
217.40	175.50	Dec	210.70	212.80	210.70	212.80	+2.40
217.90	208.70	Mar	212.00	212.50	212.00	214.35	+2.40
Est. Sales		Prev. Sales 4,484					
Prev. Day Open Int. 6,479 off 71							

Commodity Indexes

	Close	Previous
Moody's	1,051.90	1,050.60
Reuters	1,760.70	1,754.00
Dow Jones Futures	126.38	126.90
Comm. Research	213.43	214.96

Miklos Nemeth: The Capitalist Convert

By Peter Maass
Washington Post Service

LONDON — In 1975, Hungary's communist government sent a loyal young economist named Miklos Nemeth to Harvard University to learn a few helpful things that its Moscow-trained experts would never get a whiff of. Thirteen years later, after climbing to the top of Hungary's creaking Communist Party, Mr. Nemeth became prime minister and put his Harvard lessons to work.

He buried communism.

Instead of freshening up the one-party state or cracking down on the people, Mr. Nemeth and fellow reformer Imre Pozsgay began power-sharing talks with the opposition that led to open elections, let East Germans escape to freedom through the border with Austria, negotiated the pullout of Soviet troops, rehabilitated the leaders of Hungary's failed 1956 uprising, and lifted restrictions on religion.

It was a good start. Communist dictators in Eastern Europe — the Erich Honeckers and Nicolae Ceausescus — watched in horror.

"It is not true that everyone in the party was a communist," the former Harvard student now says. "For instance, I was not."

It is hard to imagine that just a year ago the relaxed man wearing a Pierre Cardin shirt and smoking Kent cigarettes in his roomy corner office at London's European Bank for Reconstruction and Development was a communist prime minister who graduated from something called the Karl Marx University of Economic Sciences.

> **'It is not true that everyone in the party was a communist. For instance, I was not.'**
> **Miklos Nemeth**

His comments are delivered with confidence, perhaps because everything he now does is child's play compared to his lifelong dealings with the sharks of Soviet and East European communism. After the central committee, the corporate boardroom is no challenge.

The fall of communism created an encyclopedia of surprises, and one of its most interesting chapters centers around Mr. Nemeth, 43. While his East European counterparts in the now-disbanded Warsaw Pact are dead, in jail or fearing either of those outcomes, Mr. Nemeth is earning the kind of money that people were jailed for under communism.

Opinion polls rank him as one of Hungary's most popular politicians. Western Europe and America, treating him as though he was always one of their own, awarded him a plum job as a vice president of the powerful European Bank, inaugurated this year to invest billions of dollars from the United States and 38 other governments.

If Mikhail S. Gorbachev is the world's favorite communist, then Miklos Nemeth may be the favorite ex-communist, and certainly one of the luckiest.

But his new-found success has opened an intriguing question in Hungarian political circles: Was Mr. Nemeth a genuine reformer or skilled opportunist? A committed democrat or Teflon communist?

Many opposition politicians in Budapest mistrust Mr. Nemeth and believe he lied to parliament last year when he said he did not know about illegal government surveillance and phone taps on them. (Mr. Nemeth said he was unaware that the daily intelligence reports he received were based on illegally gathered information.)

Overall, Mr. Nemeth's critics portray him as a clever bureaucrat who did not trigger the quiet revolution that his name is now linked to, but astutely stayed one step ahead of it.

"In my mind, Nemeth wanted to have influence," said Viktor Polgar, who first met Mr. Nemeth in 1975 and was the 1990 election spokesman for the party formed by the former communists. "And if you wanted to have influence, you had to stay in the system."

Statoil Buys Into Saga In $200 Million Deal

Reuters

OSLO — Norway's state oil firm, Statoil A/S, took its first big plunge in the stock market on Friday, buying a major stake in competitor Saga Petroleum, the country's biggest privately run petroleum company.

Statoil said it bought 12.5 percent of the voting shares in Saga from the Swedish carmaker AB Volvo for nearly 1.4 billion kroner ($200 million).

Volvo said it had an agreement to sell a further 5 percent of the voting shares, but Statoil said it had no plans to raise its stake. Statoil also said it would not seek representation on Saga's board.

Saga, which last year bitterly opposed any increased state control of the company, welcomed Statoil's purchase. The deal makes Statoil one of the biggest single shareholders in Saga.

"This has secured a stable Norwegian ownership of the company," said a Saga spokesman, Bjoern Glenne. He added that Statoil's purchase was agreed on by Statoil, Saga and Volvo.

Statoil, which previously had a modest share portfolio worth 200 million kroner, has said it would plough some of its soaring profits into Norwegian industry.

After the sale, Volvo retains 7.5 percent of the voting shares in Saga and 20 percent of nonvoting B shares.

Saga was set up in the 1970s by the legislature as a "third force" in Norway's booming oil industry, to counter the influence of state-run Statoil and Norsk Hydro A/S, which is 51 percent state-owned.

The three companies are competing for new offshore oil and gas fields.

Saga protested wildly when Hydro last year raised its stake in Saga to 13 percent from 4 percent.

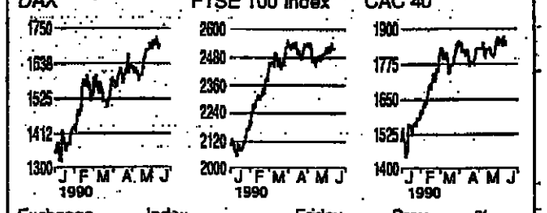
Saga then said it was not in its interests for the Norwegian state to indirectly control so much of the company.

In 1989 Saga also fought off a bid by Total-Compagnie Française des Pétroles to boost its stake in Saga to 35 percent from 5 percent.

Saga's 1990 profit before extraordinary items rose to 1.16 billion kroner from 911 million in 1989. The company said higher oil prices and increased production helped earnings.

A Statoil spokesman, Arild Steine, declined to say whether Statoil would follow up the Saga purchase with other major investments in stocks. He said future investments would not necessarily be in the petroleum sector.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	95.90	95.30	+0.63
Brussels	Stock Index	5844.27	5845.68	-0.02
Frankfurt	DAX	1699.83	1692.63	+0.43
Frankfurt	FAZ	713.34	706.06	+1.03
Helsinki	HEX	1029.40	1032.50	-0.30
London	Financial Times 30	1976.30	1970.80	+0.28
London	FTSE 100	2522.30	2514.60	+0.31
Madrid	General Index	284.00	284.38	-0.13
Milan	MIB	1182.00	1188.00	-0.51
Paris	CAC 40	1858.17	1847.24	+0.59
Stockholm	Affarsvarlden	1095.10	1100.00	-0.45
Vienna	Stock Index	575.24	577.08	-0.32
Zurich	SBS	628.90	623.70	+0.83

Sources: Reuters, AFP International Herald Tribune

Portugal Plans To Privatize 51% Of Petrogal Oil

Agence France-Presse

LISBON — The Portuguese government has decided to privatize 51 percent of the Petrogal oil company by public bid, sources said Friday.

The winning parties will have to hold the shares in a holding company for five years. Foreign shareholders will not be permitted to own more than 40 percent of the company.

The state will have a veto over any decision deemed damaging to national interests, the government decided Thursday, the sources said.

Secretary of State for Finance Elias da Costa has said that the privatization of Petrogal and of the strategic Cimpor and Secil cement companies should be completed before 1993.

Three banks, Banco Totta & Açores, Banco Português do Atlântico and Banco Espirito Santo & Commercial de Lisboa will have been privatized by the end of this year.

In 1990 privatization raised 140.6 billion escudos ($884 million) for the state.

Airlines Form Cargo Data Company

Reuters

FRANKFURT — Lufthansa German Airlines said Friday it and Air France have set up a European cargo information company as the first phase of a four-carrier plan to develop a global information network.

The new company, Global Logistics System Europe GmbH, will have starting capital of 3.5 million Deutsche marks ($1.9 million) and will be equally owned by Lufthansa and Air France.

Lufthansa, Air France, Cathay Pacific Airways of Hong Kong and Japan Air Lines Co. signed a letter of intent for the creation of the system in April.

The new cargo information company will be open to participation by other European and African partners. These can take up a total of up to 50 percent in the company's capital, GLS said in a statement.

By September of this year the company plans to enter the Asian-Pacific region by incorporating a parallel system being set up by Japan Air Lines and Cathay Pacific.

The group, which has taken over and plans to further develop Lufthansa's MOSIAK system, intends to extend its system to the U.S. market by the end of 1992 and to develop an extension to the African market.

At EC, Choosing Rules Is Half the Game

By Charles Goldsmith
International Herald Tribune

BRUSSELS — In the byzantine world of European Community politics, the crucial battle often revolves around jurisdictional maneuvering rather than the merits of legislation.

"It's a fascinating power game," said a lawyer for the EC Commission, the Community's executive. "Every time a member state has the slightest trouble with a proposal, it tries to change the legal basis" under the EC treaty.

Current jousting involves airport baggage checks and the rights of part-time workers. Recent tugs of war have been waged over waste disposal and animal importation.

Key to the intricate gamesmanship involving diplomats, bureaucrats and interest groups are different treaty articles requiring either unanimous or majority voting.

Simply put, when an industry or pressure group wants a change in the way the EC does something, it can argue that the case falls under 1987 single-market provisions that allow measures to be enacted by a qualified majority of the 12 member states. That majority can be relatively easy to win.

For whoever opposes such a change, the opposite argument is available: that the issue falls under articles of the EC treaty that require hard-to-achieve unanimity.

The system makes for some delicious irony: The tobacco industry, which for decades disputed studies linking cigarettes with cancer and other diseases, wants a proposed Community-wide ban on tobacco advertising to be based on an environmental health provision in the treaty, because that article requires unanimity.

The high-stakes maneuvering stems from the Single European Act, the 1987 amendments to the EC's charter, the Treaty of Rome, which paved the way for the post-1992 single market.

Founding fathers of the single market realized that rapid progress would be impossible if all legislation required unanimity among member states. So they drafted rules allowing most single-market measures to be adopted by "qualified majority," in which each country is given a weighted vote according to size.

> **Key to the gamesmanship are treaty articles requiring either unanimous or majority voting.**

So even if a proposal cannot achieve unanimity, it could still be enacted by qualified majority if sponsors can succeed in labeling it single-market legislation, usually under an expansive treaty provision, Article 100a.

The Commission often proposes legislation under Article 100a and national governments represented in the Council of Ministers seek to maintain their cherished vetoes by shifting jurisdiction to treaty articles requiring unanimity.

One issue in the ongoing intergovernmental conference on political union is whether majority voting should extend to new areas.

Many cases in the European Court of Justice involve Commission-Council disputes over the legal basis for legislation.

On Tuesday, the European Court said the Council erred in classifying legislation on titanium-dioxide emissions under an environmental rather than a single-market provision.

Another test case could arise at a meeting on June 25 where social affairs ministers will discuss legislation guaranteeing the rights of part-time or occasional workers. The Single European Act allows majority voting for improvements to the "working environment," but Britain and some other countries seek a narrow interpretation of that term so the legislation can be considered under the unanimous voting procedures that apply to most employment measures.

"This sort of issue is really a close call," said a veteran EC official. "You can always argue that this or that is necessary to complete the single market, but you can also argue that even so, it's really something in the taxation, environment or social field."

In another skirmish, Denmark is resisting the Commission's use of Article 100a to justify the abolition of hand-luggage checks on intra-Community flights and ferries. Denmark is concerned about its citizens bringing back goods from countries with lower taxes.

"The jurisdictional issue is an important one because improper precedents can be set," an EC diplomat said.

BRAZIL:
A New Attitude

(Continued from first finance page)

aging results" of Brady plan agreements reached so far.

In April, Brazil concluded months of negotiations over $8 billion in back interest that had mounted since the country stopped making debt payments in 1989.

The negotiations, conducted by the former economics minister, Zélia Cardoso de Mello, left both bankers and U.S. officials bitter. The Brazilian Senate is still debating that agreement, but Mr. Marques said he expects it to be approved before Mr. Collor leaves for Washington.

Mr. Marques argued that until now the Collor government has been obliged to talk tough with its creditors while it was imposing hardships at home to bring chaotic economic conditions under control.

Mr. Marques said creditors need to recognize that while 90 percent of Brazil's foreign debt is owed by the government, nearly 80 percent of Brazil's foreign exchange is produced by private business. "We have the debt, they have the money," Mr. Marques said.

He said even though Brazil is showing huge trade surpluses, it must reform its tax system and further reduce government spending to pay its creditors.

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At the end of the year the group had some 12,400 employees.
Aker

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Dyno Industrie A.S. is a Norwegian-owned corporation with operations in 30 countries worldwide. Core businesses are explosives, chemicals and plastics.
Over 80% of Dyno's sales are made outside Norway and some two-thirds are in areas where it is among the world's leading companies. 1990 sales totalled NOK 7,095 million.
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I.M. SKAUGEN AS
I.M. Skaugen AS is one of Norway's largest shipowning companies. The company is listed on the Oslo Stock Exchange.
I.M. Skaugen's activities are based on industrial shipping, with concentration on the following segments: Small gas carriers, product carriers, contract trade with tankers/bulk carriers and lightering in the U.S. Gulf.
By the end of 1990 I.M. Skaugen has a value adjusted equity of nearly NOK 3 billion. The company's fleet embraced 74 ships, including 41 wholly or partly owned.
I.M. SKAUGEN

KVAERNER A.S.
Kvaerner is an international group based in Norway. Exports are increasing, and foreign based operations have expanded considerably through the acquisition of Britain's Govan shipyard (1988), the Kamyr group (1989/90) and the Kvaerner Masa Yards in Finland (1991). The group's main business areas embrace mechanical engineering, offshore installations and engineering, pulp and paper, shipbuilding and shipping. Operating revenue in 1990 came to NOK 13,088 million. Consolidated pre-tax profit was NOK 1,046 million. Kvaerner has 17,500 employees.
KVÆRNER

SAGA PETROLEUM A.S.
Saga Petroleum a.s.' revenues in 1990 were NOK 3.9 billion and profit before extraordinary items and tax adjustments was NOK 1.2 billion. Saga participates in 38 licenses on the Norwegian continental shelf and is operator for 14 licenses. The company participates in the Statfjord, Gullfaks, Oseberg and Heimdal fields which are in production and is operator for the Snorre field which will come on stream in 1992.
In 1990, Saga's sales of crude oil were 2.7 million cubic metres (17 million barrels)f and gas sales were 234 million cubic metres.
Saga Petroleum a.s.

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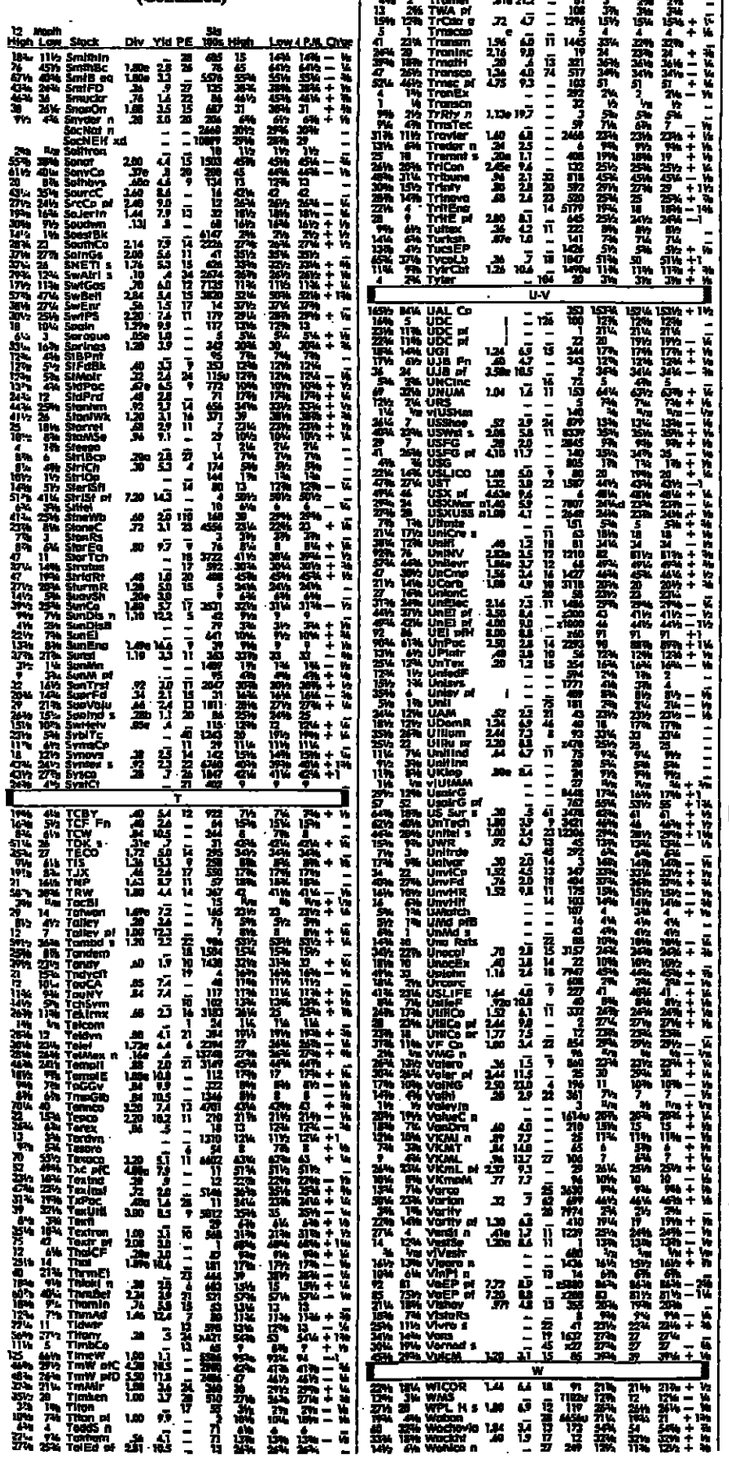
NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



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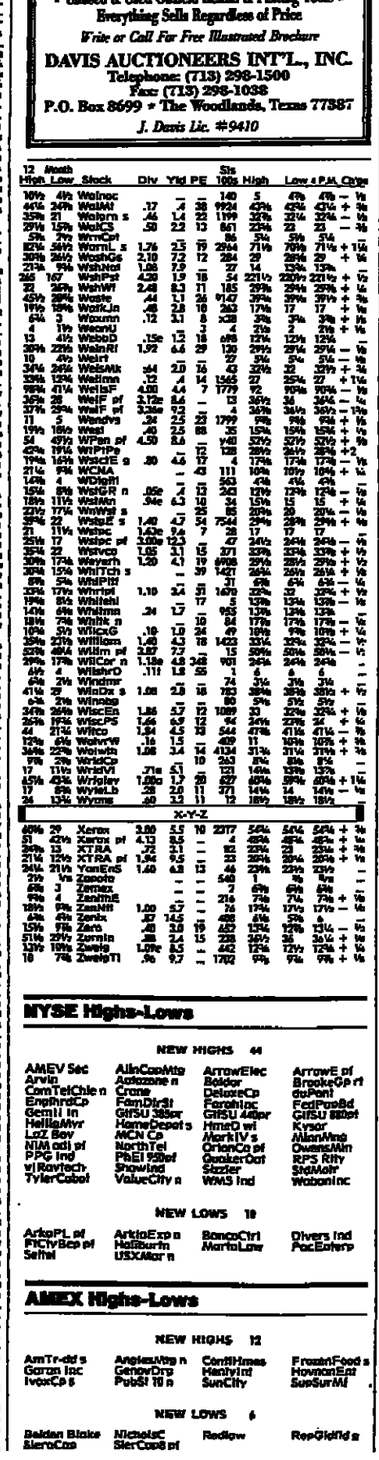

NYSE Highs-Lows

NEW HIGHS 44

AMEV Sec	AlinCapMtg	ArrowElec	ArrowE pf
Arvin	Autozone n	Bidder	BrockGp rt
ComTelChle n	Crane	DeltonCp	duPont
EnghrdCp	FamDirSt	FerchInc	FedPrpBd
GemII In	GitSU 385or	GitSU 44for	GitSU 88pf
HeilgMyr	HomeDepot s	HmtO wi	Kysor
LoZ Bev	McN Cp	MarkIV s	MilanMng
NiMcdl pf	NorthTel	OrionCp pf	OwensMin
PPG Ind	PhilEl 95bf	QuakerOat	RPS Rity
wi RayTech	Snowind	Stzler	StdMotr
TylerCabot	ValueCity n	WMS Ind	WabanInc

NEW LOWS 10

ArkoPL pf	ArktaExp n	BangorCtrl	Divers Ind
FtCtyBcp pf	Halliburtn	MartinLaw	PacEstern
Sethel	USXMar n		

AMEX Highs-Lows

NEW HIGHS 12

AmTr dd s	AngleuVtg n	ConfHomes	FrozenFood s
Garan Inc	GenovDrg	HenlyInt	HowmanEst
IvaxCp s	PubSI 10 n	SunCity	SunSurMf

NEW LOWS 6

Baldan Elnic	NicholsC	Redlaw	RepGldFd z
SierraCos	SierCobl pf		

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The 'Grand Bargain' Would Convert Soviet Union to Capitalism — for a Price

By Peter Passell
New York Times Service

NEW YORK — The "grand bargain" is on the block and the Soviet Union is waiting to see whether the West will buy.

The latest version of the grand bargain — a proposal linking large-scale aid to a radical transformation of the Soviet government and economy — was put together by a team of Soviet and American scholars working during the past few weeks at the John F. Kennedy School of Government at Harvard University.

Leading the Soviets members of the team was Grigori Yavlinsky, working apparently with the blessing of President Mikhail S. Gorbachev although it is unclear the degree to which Mr. Gorbachev supports the completed plan.

Mr. Yavlinsky, in an unannounced meeting Thursday with senior White House economic and foreign policy advisers, presented the proposal, which says that if the West really wants the Soviet Union to plunge into democratic capitalism, it should cushion the shock with at least $100 billion in aid over five years.

Neither Mr. Gorbachev nor leaders of the Western alliance have commented on the plan, which was drafted by economists and political scientists who have no formal ties with their governments.

'The Soviet Union is and will remain a great power.'
Graham Allison and Robert Blackwill, political scientists

But with the Soviet economy in a free-fall and the nation fracturing along a dozen ethnic lines, this detailed version of the grand bargain is bound to be the subject of spirited debate when leaders of the world's top industrial nations meet at the Group of Seven economic summit in July.

The proposal requires the Soviet Union to honor its commitments to democracy and decentralization to qualify for aid.

The government has promised to hold democratic elections next year and to seek a division of political authority acceptable to republics that choose to stay in the union.

Jeffrey Sachs, one of two American economists in the group and an architect of the "shock therapy" plan adopted by Poland, said in an interview that no changes would work unless the republics concede a need for a common currency and guarantee free internal movement of people, goods and resources.

Moscow would also need to retain its power to control the money supply, regulate foreign trade and raise revenue.

Soviet policy makers would also be encouraged to move promptly to prevent economic chaos. The Harvard group wants the Kremlin to raise consumer prices now to relieve shortages and to reduce ballooning budget deficits.

The group also wants a speedy Soviet commitment to privatize small businesses, which could fill some of the needs no longer met by collapsing state enterprises.

No Western aid would be provided for six to nine months while the International Monetary Fund and the World Bank study the Soviet economy in detail. Once international lenders can collect reliable economic statistics, they would provide cash to cushion the blow of overnight changes.

A critical first step is to brake inflation by cutting government subsidies and preventing state banks from printing money to cover the deficits of Soviet enterprises.

With a few exceptions, notably in energy, price controls would be lifted. Subsistence living standards would be guaranteed by rationing very limited quantities of consumer staples at heavily subsidized prices. Those who wanted more than, say, a few pounds of sugar a month, would have to pay the full cost in rubles.

The ruble would be made freely convertible into foreign currencies at an exchange rate that would give Soviet enterprises at least a chance to compete in global markets. To prevent a run against the ruble, international lenders would back the Soviet currency with a multibillion-dollar line of credit.

Stanley Fischer, the former chief economist of the World Bank and the other American economist in the planning group, sees this dash to convertibility as crucial to broader changes.

Early access to imported goods, he said, would send signals on realistic prices to the country's domestic producers, who have never been able to calculate their costs.

Competition from imports would also help deter huge Soviet enterprises from exploiting their monopoly power.

State banks would be required to act like *profit-making institutions, offering loans at* competitive interest rates to public and private enterprises. In most cases, enterprises that were not creditworthy would be allowed to fail.

The planners assume that such shock therapy would lead to a sharp fall in production. And with the government out of the business of wholesale distribution, some of what is produced might never make it to market.

Much of the Western aid provided in the first few years would be needed to fill the gaps, for example, imports of consumer staples and scarce industrial parts.

The initial shock, with all of the major changes enacted, would last about two and a half years. Then the emphasis would shift to nurturing the market economy through its infancy.

A U.S. senator sees the 'Grand Bargain' as throwing good money after bad and sees wheat shipments to the Soviets as 'an act of delusion.'

While some industrial giants might be privatized in the first few years, Eastern Europe's experience suggests that the process is far too difficult and politically sensitive to complete rapidly. To end monopolies, the largest enterprises would be broken up before their shares are parceled out to the public.

The focus of aid would change by the third year from covering deficits in the Soviet balance of payments to providing project loans. Much of the cash would support improvements that could not attract private capital from *abroad, like pollution control,* transportation and telecommunications, Mr. Sachs suggested.

The appeal of a dramatic rescue effort has grown in the last few months as the Soviet economy has unraveled and half-measures have failed. But the proposal still faces bitter opposition from many quarters.

Senator Bill Bradley, Democrat of New Jersey and an influential voice in the legislative debate on Soviet issues, sees it as throwing good money after bad.

It would be "an act of delusion," he said last week, to send more American wheat to Moscow when less than half of the grain grown in the Soviet Union reaches consumers.

Like many academic specialists, Padma Desai, an economist at Columbia University's Harriman Institute, thinks the grand bargain is "neither feasible nor necessary." Ms. Desai said large-scale aid would come at the expense of more worthy developing economies in Latin America, Africa and Asia.

Graham Allison and Robert Blackwill, political scientists at the Kennedy School and members of the planning group, dismiss these arguments as penny-wise.

"The Soviet Union is and will remain a great power," they write in the current issue of Foreign Affairs. They argue that the cost of the plan pales beside the costs of defending American interests against a hostile military giant.

In any case, Mr. Sachs says, the costs of the plan must be put into perspective. A $100 billion package amounts to roughly the same amount of aid per person as the current Western aid commitment to Eastern Europe. As a percentage of the donor nations' output, the Soviet package represents just one-eighth the burden of the postwar Marshall Plan for Europe.

Without a big aid package as an incentive, Mr. Sachs says, Kremlin reformers will find few allies within the Communist Party for changes that undermine the bureaucracy. Worse, a failure to back reformers with significant amounts of money will leave the impression that the West values Soviet political stability more than the chance to inspire democracy.

SCENE: *Economists Quote Odds*

(Continued from first finance page)

continues to show "widespread but moderate recessionary trends."

The board's composite leading index for 11 major industrial countries is declining at an annual rate of 3 percent.

But that rate of decline represents a one percentage point improvement from three months ago.

For the developing countries, the World Bank offers three scenarios: a "baseline scenario" that is moderately better than the "lost decade" of the 1980s; a "low-case scenario," with turbulence in international trading and financial systems and a much higher level of real interest rates; and a "high-case scenario," in which challenges are successfully met, reducing uncertainty and spurring further integration of the global economy.

"The plausible range of growth estimates for the developing countries in the 1990s is therefore wide: from less than 3 percent a year to well over 6 percent," says the World Bank report on Global Economic Prospects.

That's a big spread, like those in other probabilistic forecasting scenarios.

Given the economic, financial and political interests of most forecasters, their collective bias is toward minimizing anxiety and maximizing hope. But there are the constraints of the facts. The real payoff in forecasting is to be right.

UPTURN: *Moderate Inflation*

(Continued from page 1)

like Senator McCarthy used to see Communists — everywhere."

But the fact remains, said Donald Ratajczak, director of forecasting at Georgia State University, that "the recession will not have done a heck of a lot to alter the level of inflation." He sees consumer price inflation running at between 4 and 5 percent later this year, but he stressed that it would remain steady rather than shooting back up during the recovery.

"That's because producers have behaved differently this time and are keeping inventories under control," Mr. Ratajczak said. "The bond market still thinks of past recessions where businesses have to get rid of big inventories at fire-sale prices and then rebuild them quickly, which stimulates the recovery. This time there was no fire sale, and there won't be any inventory spurt."

Joseph Plocek of the Wall Street bond firm of McCarthy, Crisanti & Maffei reported that most buyers were staying on the sidelines, fearful that rates will move up during the summer to about 8.75 percent as inflation revives and the government dumps a record amount of bonds on the market to finance its budget deficit.

But he reported that some large pension funds and the World Bank were buying bonds on a bet that rates are already near the top.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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w Abacus Fund Ltd $ 9.01
b Abacus Guar.Fd.Mar 94 $ 9.15
b Abacus Guar.Fd.July 95 $ 10.11
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 99.32
ABN BANK LD.N, P.O. Box 449, Amsterdam
w ABN-Aandelenfonds Fl 81.43
w ABN-Beleggingsids Ned. Fl 62.65
w Aldollar $ 23.80
w Akrenta Fl 105.70
w America-Fund $ 182.96
w Asian Tigers Fund $ 32.43
w Columbia Securities Fl 125.45
w LDC Risk Inv. Fund $ 1228.57
w Trans Europe Fund $ $ 40.44
w Trans Europe Fund Fl Fl 80.60
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 25.1711
d High Life Fund Ecu 11.00
d UBZ Euro Optimizer Ecu 10.5016
d UBZ Liquidity Fund $ $ 101.4890
d UBZ Liquidity Fund DM DM 101.8165
d UBZ Liquidity Fund SF SF 102.1907
ALFRED BERG
d Alfred Berg Norden $ 140.22
Alfred Berg Sicav
d Global $ 132.05
d Germany $ 125.06
d Switzerland $ 92.50
d Netherlands $ 95.60
d North America $ 100.12
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 241.29
m Alpha Futures Fund Ltd $ 158.86
m Alpha Global Fund $ 668.41
m Alpha Hedge Fund $ 332.85
m Alpha Pacific Fund Ltd $ 284.69
m Alpha Short Fund Ltd $ 96.38
m Alpha Spec. Opport. Fd $ 319.81
m Alpha Tiktiok Fund $ 126.25
m Curran-Alpha Hlth Care Fd $ 293.68
w Heisei Japan Fund Y 14936.00
w Nicholas-Applegate Aurelia $ 159.12
w Nicholas-Applegate Hpe Fd $ 118.12
ARRAL ASSOCIATES Ltd
w Arral American Quant Fd $ 18.12
w Arral Asian Fund $ 136.43
w Arral Int'l Hedge Fund $ 99.65
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BOND FUNDS
d Alpha Worldwide SF 57.06
d Deutschmark Bond DM 51.83
d Sterling Pound £ 117.74
d US$ Bond $ 116.08
EQUITY FUNDS
d Alpha European Ecu 1.24
d Alpha Japanese Y 859.80
d Alpha Pacific Rim $ 1.51
d Alpha UK £ 1.33
d Alpha US$ $ 1.53
d Alpha Worldwide SF 5.13
d Gold Share $ 0.91
RESERVE FUNDS
d Deutschmark Reserve DM 11.591
d Sterling Reserve £ 13.722
d US$ Reserve $ 11.732
BA GATEWAY FUND
w Germany Fixed Income DM 104.34
w Belgium Fixed Income BF 10994.00
w US Dollar Fixed Income $ 111.26
w Int'l Portfolio A $ 104.37
w Int'l Portfolio B Ecu 110.37
w Japan Equity Y 10418.00
w Pacific Equity $ 95.80
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726414
w Int'l Equity Fund (Sicav) $ 10.84
w Int'l Bond Fund (Sicav) $ 11.86
w Dollar Zone Bd Fd (Sicav) $ 10.30
w Sterling Equity Fd (Sicav) £ 1.01
w Sterling Bd Fd (Sicav) £ 1.10
BANQUE DE GESTION E. DE ROTHSCHILD
LUXEMBOURG S.A.
b Eagle Fund LF 9488.00
d Europe Japan Fund $ 9.44
b Government Secur. Fd $ 64.28
w Hispano Int'l Fund Ecu 11.39
w Leicom $ 2113.08
b Opportunities $ 975.64
b Optigest Curstilor Gen. DM 148.04
b Optigest Fixed Inc. DM 112.86
b Prifirst $ 537.84
b Privrep Fund DM 44.80
w Rente Plus BF 4796.00
f Select. Horizon FF FF 65675.52
b Star Convert. Fd Fl Fl 10879.00
b Star Convert. Fd US$ $ 105.83
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 105.19
w Asian Growth Fund $ 35.65
w Asian Income Fund $ 8.35
w Diverbond SF 74.15
m Dual Futures Fd Cl A Units $ 111.27
m Dual Futures Fd Cl B Units $ 111.52
m Dual Futures Fd Cl C Units $ 105.58
m Dual Futures Fd Cl D Units $ 107.41
m Galaxy Futures Fund Ltd $ 109.47
w Himalayan Fund $ 10.19
d Indosuez Hong Kong Fund $ 20.815
w IPNA-3 $ 530.80
w ISA Japan Res. Gr. Fund Y 1052.00
w Japan Fund $ 14.425
d Japan Warrant Fund $ 3.36
w Malacca Fund $ 14.60
w Managed Trust $ 19.035
w Manila Fund $ 9.14
w North American Fund $ 35.735
w Oriental Venture Trust $ 44.480
w Pacific Gold $ 11.46
w Pacific Trust HK$ 21.780
w The Siam Fund $ 23.11
w Singap & Malay Trust $ 15.105
w Tasman Fund $ 3.945
d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 922.99
w Daiwa LCF Rothschild $ 1116.39
w Ecu D'Or Ecu 79.86
b Pri-Tech $ 1103.99
b Source Sicav $ 12.83
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 76.57
w Intelsec Chf SF 172.77
w Swissfund Chf SF 103.05
w Universal Eurosec Ecu Ecu 100.60
w Universal Finnsec Global FM 115.71
w Universal Intelbond S A $ 15.29
w Universal Intelbond S B $ 16.03
w Universal Intelbond FF A FF 104.48
w Universal Intelbond FF B FF 114.47
w Universal Intelsec S A $ 14.44
w Universal Intelsec S B $ 14.60
BEARBULL
w BB Forex Ltd $ 1171.27
w BB Futures Ltd $ 1085.08
w BB Global Ltd BEF BF 1843.00
w BB Global Ltd CHF SF 10.42
w BB Global Ltd FRF FF 105.27
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 219.95
w Interbelgian BF 59307.00
w Interecu Fund A Ecu 280.34
w Interecu Fund B Ecu 1080.94
INTER CASH
f France Securite FF 13490.86
f France Monetaire FF 11719.87
f France Capital FF 12925.87
f Inter Cash ECU Ecu 1517.76
f Inter Cash US$ $ 1129.75
f Inter Cash DM DM 2289.85
f Inter Cash GBP £ 1194.61
f Inter Cash FRF FF 15898.39
f Inter Cash YEN Y 152081.00
INTER OPTIMUM
w BEF/LUF BF 78894.00
w Multidevises DM DM 2276.70
w US$ $ 1871.37
w FRF FF 11532.75
INTER STRATEGIE
w France FF 10848.57
w Europe du Nord $ 1071.56
w Europe du Centre DM 2146.05
w Europe du Sud Ecu 1181.21
w Japon Y 139384.00
w Amerique du Nord $ 1122.48
w Sud-Est Asiatique $ 910.87
BNP JERSEY
INTER CURRENCY
w DM DM 34.8833
w GBP £ 13.4573
w US$ $ 12.3517
INTER EQUITY
w Australia Class $ 9.67
w European Class $ 9.59
w French Offer $ 15.93
w North American Offer $ 12.12
w Pacific Offer $ 18.85
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.43
d Non-$ Money Market DM 34.90
d $ Bond $ 14.73
d Non-$ Bond DM 33.64
d European Equities $ 9.72
d Global Equity $ 17.34
d Global Bond $ 15.31
d Global Bond & Equity $ 15.26
d Pacific Equities $ 10.86
d Prec. Metals / Min. Secs $ 5.47
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 7216.65
w Fructilux Actions Fses FF 7217.71
d Fructilux Court Terme FF 6736.02
d Fructilux Oblig. Euro Ecu 1222.49
d Fructilux Oblig. Fses FF 6595.22
CALLANDER
w Callander Emer. Growth $ 125.11
w Callander F-Assel $ 96.29
w Callander F-Austria AS 1537.41
w Callander F-Spanish Pta 9110.00
w Callander Swiss Growth SF 138.45
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 94.02
w Capital Italia SA $ 37.16
CCF - GAMMA
w CM Actibonds $ 36.48
w CM Global Growth $ 10.24
w Elysees Court Terme FF 66448.12
w Elysees Long Terme FF 58309.21
w Elysees Monetaire FF 49720.84
w EMF D-Mark (A & B) DM 962.94
w EMF Dutch Gul. (A & B) Fl 1048.41
w EMF Ecu (A & B) Ecu 1027.40
w EMF Sterlings (A & B) £ 526.04
w EMF US Dollar (A & B) $ 1105.83
w EMF Yen (A & B) Y 97158.00
d Europe Prest. Fund A Ecu 9.42
d Europe Prest. Fund B Ecu 11.48
w Europe Smlr Cos. Fd A Ecu 13.45
w Europe Smlr Comp. Fd B Ecu 13.45
CDC INTERNATIONAL
w CFI Court terme FF 137965.18
w CFI Long Terme FF 1213164.36
CIC GROUP
d Oblicic Court Terme FF 13430.78
d Oblicic Monetaire FF 13377.04
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 9571
d Citinvest Guardian $ $ 1095.31
d Citinvest Guardian Euro Ecu 1152.25
d Citinvest Mngd Growth $ 1233.45
d Citinvest Mngd Grth Euro Ecu 1095.60
d Citinvest Selector $ 913.05
d Citicurrencies US$ $ 1477.38
d Citicurrencies Managed $ 125.08
d Citicurrencies STG £ 130.90
d Citicurrencies DEM DM 115.40
d Citicurrencies YEN Y 11131.00
d Citiport N.A. Equity $ 186.81
d Citiport Japan Equity Y 6121.00
d Citiport UK Equity £ 115.26
d Citiport IAPEC $ 134.49
d Citiport Cont. Euro. Equity Ecu 139.12
d Citiport Eamec $ 105.22
d Citiport German DM 85.97
d Citiport Swiss SF 91.86
d Citiport French Equity FF 1142.33
d Citiport N.A. $ Bond $ 127.58
d Citiport Euro Bond Ecu 117.77
d Citiport Asia Pacific Bond Y 11410.00
CITITRUST
w US $ Equities $ 224.40725
w US $ Bonds $ 13.07530
w US $ Money Market $ 14.25863
w Citiland $ 1010.18825
w Citiperformance Ptfl A + B $ 18.37792
m The Good Earth Fund $ 12.25765
COMPASS INTL. HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond: Dollar Med. Term $ 11.96
w Bond: Ecu Multicurr. Ecu 11.87
w Equity: United Kingdom £ 8.06
CREDIT AGRICOLE: MOSAIS
d Actions Int'l Diversifiees FF 122.49
d Actions Nord-Americaines $ 12.59
d Actions Japonaises Y 2135.14
d Actions Anglaises £ 12.14
d Actions Allemandes DM 34.42
d Actions Francaises FF 109.42
d Actions Esp. & Port. Pta 2552.13
d Actions Italiennes Lit 25782.84
d Actions Bassin Med. Ecu 18.34
d Actions Bassin Pacifique $ 15.77
d Actions Europeennes Ecu 16.85
d Actions Agro-Alimen. FF 111.06
d Actions Sect. Comm. FF 108.13
d Oblig Int'l Diversifiees FF 112.35
d Oblig Nord-Americaines $ 15.83
d Oblig Japonaises Y 2061.30
d Oblig Anglaises £ 18.58
d Oblig Allemandes DM 31.46
d Oblig Francaises FF 113.51
d Oblig Esp. & Port. Pta 2222.85
d Oblig Italiennes Lit 26480.94
d Oblig Europeennes Ecu 17.87
d Oblig Haut Rendement $ 16.93
d Oblig Int'l Div Sensib Red FF 111.90
d Oblig Convert. Intern. $ 116.02
d Court Terme Ecu Ecu 17.22
d Court Terme US$ $ 15.97
d Court Terme FF FF 112.70
CREDIT SUISSE
d CSF Bonds SF 74.410
d Bond Valor Swf SF 96.798
d Bond Valor US-Dollar $ 118.063
d Bond Valor D-Mark DM 104.427
d Bond Valor Yen Y 9613.850
d Bond Valor £ Sterling £ 94.469
d Convert Valor Swf SF 144.901
d Convert Valor US-Dollar $ 184.973
d CSF International SF 134.475
d Actions Suisses SF 553.636
d Europa-Valor SF 212.140
d Energie-Valor SF 154.306
d Canasec SF 548.036
d Ussec SF 779.531
d Pacific-Valor SF 139.873
d CS Gold Valor $ 117.889
d CS Tiger Fund $ 576.161
d CS Ecu Bond A Ecu 100.019
d CS Ecu Bond B Ecu 135.856
d CS Gulden Bond A Fl 95.322
d CS Gulden Bond B Fl 118.694
d CS Hispano Iberia Fd A Pta 24918.600
d CS Hispano Iberia Fd B Pta 25498.500
d CS Euro Finance Fd A DM 222.435
d CS Euro Finance Fd B DM 222.435
d CS Prime Bond A DM 98.607
d CS Prime Bond B DM 109.190
d CS Europa Bond A DM 246.169
d CS Europa Bond B DM 296.641
d CS Fixed I SF 7% 1/96 SF 105.547
d CS Fixed I DM 8% 1/96 DM 104.931
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 105.165
d CS Euro Blue Chips A DM 248.632
d CS Euro Blue Chips B DM 252.903
d CS Short-T. Bond DM A DM 97.333
d CS Short-T. Bond DM B DM 122.106
d CS Short-T. Bond $ A $ 101.113
d CS Short-T. Bond $ B $ 132.788
d CS Money Market Fd $ $ 1615.831
d CS Money Market Fd DM DM 1404.857
d CS Money Market Fd £ £ 1893.044
d CS Money Market Fd Yen Y 129812.310
d CS Money Market Fd C$ C$ 1093.809
d CS Money Market Fd Ecu Ecu 1082.297
d CS Oeko-protec A DM 271.963
d CS North American Fd A/B $ 195.282
d CS UK Fund A/B £ 98.011
d CS France Fund A/B FF 980.711
CSFB FUND MGMT Ltd (0481-713996)
PB122, St Peter Port, Guernsey
w Islamic Manni Fund Ltd $ 1008.00
DIT INVESTMENT FFM
d Concentra + DM 46.85
d Int'l Rentenfond + DM 77.26
EBC TRUST CO. (Jersey) Ltd
1-3 Seale St, St Helier: 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 23.690
d Income $ 15.707
INTERNATIONAL INCOME FUND
w Long Term $ 33.9997
d Short Term A (Accum) $ 0.2734
d Short Term A (Distr) $ 0.1776
d Short Term B (Accum) $ 0.8337
d Short Term B (Distr) $ 0.5942
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d Ecu Plc Omega Fund £ 1.43
d Ecu Plc Oil Fund £ 0.92
d Ecu Plc Royden Fund £ 1.23
EQUIFLEX LIMITED
w Europe A Fl 10.65
w North America A Fl 11.40
EURO PACIFIC ADVISERS Ltd
w Meteora Y 113171.00
w Pacific Horizon Invt. Fd $ 2220.17
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d Balanced Ptfl Unhedged $ 11.41
d Conv. Securities Ptfl $ 8.72
d Discovery Fund $ 17.52
d Dollars Saving Trust $ 187.51
d Far East Fund $ 74.55
d Fid. Amer. Assets $ 150.39
m Fid. Amer. Values III Com $ 88.32
m Fid. Amer. Values IV $ 111438.00
d Fid. Australia Fund $ 15.41
d Frontier Fund $ 24.21
d Global Ind Fund $ 15.14
d Global Selection Fund $ 13.66
d International Fund $ 15.45
d New Europe Fund $ 9.19
d Orient Fund $ 116.41
d Pacific Fund $ 344.35
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d World Fund $ 74.36
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w Finley Portfolio Fd (BVI) $ 1.08
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w Scanfonds Int'l Growth Fd $ 1.51
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w Gaia Hedge II $ 241.47
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d Eastern European Fd DM 4.468
d Asia Pacific Fund $ 2.151
d Japan Fund Y 322.3
d Australasian Fund $ 0.3208
d Global Resources Fund $ 0.7445
d Emerging Markets Fund $ 1.173
d International Growth $ 2.865
d Sterling Bond £ 1.037
d Eco Bond Fund Ecu 0.9489
d International Bond $ 1.146
d Global Conv. Bond Fd $ 1.602
d US$ Deposit $ 1.075
d Sterling Deposit £ 1.006
d French Franc Deposit FF 10.24
d Swiss Franc Deposit SF 5.109
d DM Deposit DM 5.177
d Yen Deposit Y 510.5
d Austr. Dollar Deposit AS 1.031
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d Deutsche Mark Bond DM 5.13
d Diverbond SF 2.51
d Dollar Bond $ 2.08
d European Bond Ecu 1.04
d French Franc Bond FF 10.08
d Global Bond $ 1.99
d Sterling Bond £ [illegible]
EQUITY PORTFOLIOS
d Developing Markets $ 2.24
d Europe Ecu 1.16
d France FF 10.01
d Germany DM 5.00
d International $ 2.07
d Japan Y 279.00
d Natural Resources $ 2.06
d North America $ 2.30
d Pacific $ 2.30
d Singapore/Malaysia SG$ 6.07
d Switzerland SF 2.49
d United Kingdom £ 1.17
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.12
d Dollar Reserve $ 2.03
d French Franc Reserve FF 10.25
d Sterling Reserve £ 1.04
d Yen Reserve Y 263.00
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w East Investment Fund $ 873.14
w Scottish World Fund £ 214.6027
w State St. American $ 275.46
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(See also Interselex Group)
d Rentinvest $ 26.54
d Capital Rentinvest $ 136.23
d Rentinbel Distribution LF 9546.00
d Rentinbel Capitalization LF 12098.00
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w (B) Genesee Short $ 77.67
w (C) Genesee Opportunity $ 118.23
w (E) Genesee Balanced $ 107.41
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w GAM Arbitrage Inc. $ 246.37
w GAM America Inc. $ 276.45
w GAM Australia Inc. $ 121.91
w GAM ASEAN Inc. $ 181.28
w GAM Boston Inc. $ 311.39
w GAM Selection Inc. $ 395.47
w GAM European Inc. $ 92.70
w GAM Europe Fund $ 78.48
w GAM Franc-Val Inc. SF 195.12
w GAM France Inc. FF 1509.83
w GAM Global Fund $ 107.83
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w GAM Hong Kong Inc. $ 240.97
w GAM International Inc. $ 130.27
w GAM Japan Inc. $ 639.06
w GAM North America Fund $ 116.89
w GAM Money Mkts Fd $ $ 102.41
w GAM Money Mkts Fd £ £ 106.65
w GAM Money Mkts Fd SF SF 103.46
w GAM Money Mkts Fd DM DM 102.47
w GAM Money Mkts Fd Yen Y 10343.00
w GAM Mill-Mar Fd Inc Alloc $ 113.65
w GAM Mill-Mar Fd IncGenE $ 113.54
w GAM Mill-Mar Fd Trading $ 118.34
w GAM Mill-Mar Deferred Cl $ 109.35
w GAM Pacific Basin Fund $ 129.47
w GAM Pacific Inc. $ 551.22
w GAM Restr. Fund Inc. $ 144.96
w GAM Singap-Malay Inc. $ 267.10
w GAM Swiss Fr Spec Bd Fd SF 97.93
r GAM Value Inc. $ 101.59
w GAM Worldwide Inc. $ 418.69
w GAM Tyche S.A. Class A $ 247.85
w GAM Univ. Spain Inc. SF 106.24
w GAM Univ. D-Mark Acc. DM 128.38
w GAM Univ. D-Mark Inc. DM 128.38
w GAM Univ. Dollar Acc. $ 118.96
w GAM Univ. Dollar Inc. $ 118.96
w GAM U.S. Inc. $ 196.37
w GAM Whitehorn Fund Inc. $ 156.49
w GAM UT Inc. $ 400.89
w GSAM Composite Inc. $ 245.13
w GAM Bond Fd Inc. US Ord. $ 116.01
w GAM Bond Fd Inc. US Spe. $ 143.28
w GAM Bond Fd Inc. SF SF 82.90
w GAM Bond Fd Inc. Yen Y 11385.00
w GAM Bond Fd Inc. DM DM 92.55
w GAM Bond Fd Inc. £ £ 110.79
w GAM Sterling Spec. Bd Fd £ 110.14
GT MANAGEMENT PLC (44 71 222 44 44)
d G.T. ASEAN Fund $ 47.31
d G.T. Asia Fund $ 19.45
d G.T. Australia Fund $ 24.87
d G.T. Berry Japan Fund $ 29.36
w G.T. Biotech/Health Fd $ 17.42
d G.T. Bond Fund $ 15.97
d G.T. Deutschland Fund $ 12.02
d G.T. Dollar Fund $ 20.77
w G.T. Emerging Mkts Fd $ 10.32
w G.T. Euro Small Co Fd $ 31.54
d G.T. Europe Fund $ 31.24
w G.T. Global Small Co Fd $ 16.58
d G.T. Global Techno. Fd $ 17.18
d G.T. Hong Kong Fund $ 32.22
d G.T. Honshu Pathfinder $ 13.83
d G.T. Investment Fund $ 15.17
w G.T. Japan OTC Stocks Fd $ 13.98
w G.T. Japan Small Co Fd $ 17.92
w G.T. Korea Fund $ 5.55
w G.T. Latin America Fd $ 18.49
w G.T. Newly Ind Countr Fd $ 28.30
r G.T. Technology Fund $ 41.63
d G.T. UK Small Companies £ 6.67
d G.T. US Small Companies $ 15.95
GUINNESS FLIGHT FUND MANAGERS LTD
GUERNSEY
GUINNESS FLIGHT Gtbl Strategy Fd Ltd
d Managed Currency Fd $ 35.44
d Global Bond Fd $ 30.40
d Global High Inc Bd Fd $ 21.61
d Gilt and £ Bd Fd £ 10.847
d Euro High Inc Bd Fd £ 27.18
d Global Equity Fd $ 64.37
d American Blue Chip Fd $ 22.71
d Japan and Pacific Fd $ 77.14
d UK Fund £ 21.91
d European Fund $ 89.16
GUINNESS FLIGHT Int'l Fd Ltd
d Deutschmark Money Fund DM 71.499
d Sterling Money Fund £ 22.676
d Swiss Franc Money Fund SF 54.420
d US Dollar Money Fund $ 35.182
d Yen Money Fund Y 7798.053
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (Far East) SF 15.46
d CSF (Balanced) SF 41.28
d European Equity Fund DM 15.77
d Int'l Bond Fund $ 12.88
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.48
d ITF Fd (Technology) $ 15.39
d O'seas Fd (N. America) $ 58.63
IAM, 3 Bd. Royal LUXEMBOURG
d IAM Flagship Fund Ecu 78.36
w IAM Bonds Fd-France A FF 644.72
w IAM Bonds Fd-Allem. B DM 221.50
w IAM Bonds Fd Japan C Y 10763.00
w IAM Bonds Fd Div. I FF 533.86
w IAM Europe Global Ecu 95.82
w IAM Europe Luxe Ecu 98.17
w IAM Europe 1992 Ecu 97.82
w IAM Europe du Sud Ecu 98.08
INTERSELEX GROUP
d Int. America Sicav $ 18.32
d Int. Belgo Sicav BF 2873.00
d Int. Europa Sicav LF 6440.80
d Int. Pacific Sicav $ 96.40
d Int. World Distr. Sicav $ 97.68
INVESCO MIM INT'L, POB 271, Jersey
Tel: 44 534 73114
d Int'l High Income $ 2.4980
d Dollar Mngd Curr $ 14.9000
d Dollar Mngd Ptfl $ 2.2210
d Sterling Mngd Ptfl £ 1.7730
d Pioneer Markets £ 3.2160
d UK Growth £ 1.1440
d Gold & Prec. Metals £ 0.8630
d Sterling Mngd Curr £ 17.3800
d Japan Dollar Perf. Fund $ 3.2540
d Jersey Gilt £ 0.1767
d Okasan Global Strat $ 17.0400
d Asia Super Growth Fund $ 12.4800
d Nippon Warrant Fund $ 3.9980
d Gtd. N.W. 1994 $ 6.2700
d Asia Tiger Warrant $ 1.5100
d European Warrant $ 2.8180
PREMIER SELECT FUNDS
d American Growth $ 5.2600
d American Enterprise $ 6.7100
d Asia Tiger Growth $ 5.7100
d Dollar Reserve $ 5.0550
d European Growth $ 4.6700
d European Enterprise $ 5.8900
d Global Emerging Markets $ 5.3000
d Global Growth $ 4.8200
d Nippon Enterprise $ 6.7300
d Nippon Growth $ 4.9200
d North American Warrant $ 5.9100
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 45.27
w Class B (Global Equity) $ 10.41
w Class C (Global Bond) $ 10.44
w Class D (Ecu Bond) Ecu 10.35
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 23.29
d JF Far East Wrnt Tr. $ 8.67
d JF Gibl Conv. Tr. $ 11.14
d JF Hong Kong Trust $ 87.21
d JF Japan Sm. Co Tr. Y 73538.00
d JF Japan Trust Y 18683.00
d JF Malaysia Trust $ 10.16
d JF Pacific Inc. Tr. $ 79.35
d JF Thailand Trust $ 12.62
JULIUS BAER GROUP
d Baerbond SF 923.08
d Conbar SF 1791.00
d D-Mark Baer Bond Fund DM 1001.00
d Dollar Baer Bond Fund $ 1145.00
d Emerging Europe Fund DM 104.40
d Equibaer America $ 1943.00
d Equibaer Europe SF 1505.00
d Europe Bond Fund Ecu 111.70
d Liquibaer $ 2822.00
d SFR - BAER SF 1019.00
d Stockbar SF 2071.00
d Swissbar SF 2139.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1617.94
b Int'l Guaranteed Fund $ 1037.54
b Stonehenge Ltd $ 1278.90
b The Gbl Asset Alloc Fd Ltd $ 971.99
b The Krieger Curr. Fd Ltd $ 1000.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.06
d Emerging Asia Fund Ecu 1.89
d European Fund Ecu 1.85
d International Fund Ecu 1.85
d Japanese Fund Ecu 1.85
d Konsollis World Fund FM 11.09
d North American Fund Ecu 2.38
d Pacific Fund Ecu 1.79
LIPPO ASIA LIMITED
w Java Fund $ 7.69
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073200/Inquir. 41-22-3073210
w Lloyds Int'l Dollar + $ 111.10
w Lloyds Int'l Europe + SF 188.40
w Lloyds Int'l Growth + SF 272.48
w Lloyds Int'l Income + SF 270.08
w Lloyds Int'l N. America + $ 106.35
w Lloyds Int'l Pacific + SF 181.80
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 19.43
m Sterling Class £ 5.13
m US Dollar Class $ 8.80
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.77
MAN INTERNATIONAL FUTURES
m Alubat Mint Gtd. Fund Ltd $ 117.18
m Athena Diversified Fut. $ 9.73
m Athena Guaranteed Fut. $ 9.37
m Fbme Mint Gtd Plc $ 124.09
m Mint Gtd Ltd - Aug 1995 $ 12.87
m Mint Gtd Ltd - Dec 1994 $ 15.77
m Mint Gtd Ltd - Jan 1994 $ 17.86
m Mint Gtd Ltd - Nov 1993 $ 22.03
m Mint Gtd Ltd - Spec Issue $ 22.74
m Mint Limited - Income $ 15.30
m Mint Limited - Ordinary $ 45.90
m Mint Sp Res Ltd (BNP) $ 120.26
m Newcastle Guaranteed Ltd $ 12.93
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 10.28
d Multi-Curr. Bond Ptfl Cl A $ 16.67
d Multi-Curr. Bond Ptfl Cl B $ 16.64
d USA Income Portfolio $ 9.27
d US Federal Securities Fd $
d Category A $ 9.69
d Category B $ 10.05
d World Nat Res Ptfl Sh A $ 11.38
d World Nat Res Ptfl Sh B $ 11.21
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A AS 13.74
d Category B AS 13.83
d Canadian Dollar Ptfl
d Category A C$ 11.18
d Category B C$ 11.22
d Deutsche Mark Ptfl
d Category A DM 10.58
d Category B DM 10.62
d Pound Sterling Ptfl
d Category A £ 11.67
d Category B £ 11.70
d US Dollar Ptfl
d Category A $ 11.51
d Category B $ 11.59
d Yen Portfolio
d Category A Y 1037.00
d Category B Y 1040.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.08
d Class B $ 10.86
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.13
d Class B $ 11.04
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.20
d Class B $ 9.05
EURO EQUITY PORTFOLIO
d Class A $ 10.20
d Class B $ 10.12
MULTIMANAGER N.V.
w American Growth Fd $ 10.44
w European Curr. Bond Fd Ecu 10.32
w European Growth Fd Ecu 11.46
m Futures Fd $ 10.11
w Japanese Growth Fd Y 1168.00
w Forex Fund $ 9.41
m Emerging Markets Fd $ 12.68
NIMARBEN
w Class A $ 211.02
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 41.40
d NMB Euromix Growth Fd LF 23.08
d NMB Real Estate Fund Fl 39.30
w The Brazil Fund $ 1.5321
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 8.45
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.29
OBLIFLEX LIMITED
w Multicurrency $ 24.42
w Dollar Medium Term $ 18.73
w Dollar Long Term $ 15.49
w Japanese Yen Y 3614.00
w Pound Sterling £ 18.47
w Deutsche Mark DM 13.67
w Dutch Florin Fl 13.91
w HY Euro Currencies Ecu 11.84
w Swiss Franc SF 11.02
w US Dollar Short Term $ 11.06
w HY Euro Curr Divid Pay Ecu 10.78
w Swiss Multicurrency SF 12.77
w European Currency Ecu 16.45
w Belgian Franc BF 102.32
w Convertible $ 11.41
w French Franc FF 115.57
w Swiss Multi-Dividend SF 9.21
w Canadian Dollar C$ 10.14
w Dutch Florin Multi Fl 11.86
w Swiss Franc Divid Pay SF 10.60
OLYMPIA Capital Intl. BVI
c/o OCM, 17 Av. George V, 75008 PARIS
Tel. 33-1-47238374
w Finsbury Group $ 146.03
w Olympia Securite $ 97.31
w Winch. Capital $ 102.10
w Winch. Frontier $ 254.68
w Winch. Ful. Olympia Star $ 103.11
w Winch. Hldg Int'l Madison Ecu 1083.20
w Winch. Hldg Int'l Ser D Ecu 1265.97
w Winch. Hldg Int'l Ser F Ecu 1271.48
w Winch. Hldg US$ $ 14.62
w Winch. Reser. Multi. Gvbd $ 14.41
PARIBAS-GROUP
d Cortexa International $ 107.85
d Europhenix Ecu 196.95
d Luxor $ 8.19
d Moneyflow LF 10320.00
d Par US Treas. Bond Cl B $ 148.83
d Parinter Bond Fund $ 14.53
d Parinter Fund $ 220.75
w Parvest Obli-DM A DM 1198.59
w Parvest Obli-DM B DM 1434.17
w Parvest Obli-Dollar A $ 1102.94
w Parvest Obli-Dollar B $ 1419.57
w Parvest Obli-Franc A FF 1370.99
w Parvest Obli-Franc B FF 1485.93
w Parvest Obli-Gulden A Fl 954.24
w Parvest Obli-Gulden B Fl 1203.64
d parvest Obli-Sterling £ 112.17
w Parvest Obli-Yen A Y 101463.00
w Parvest Obli-Yen B Y 123342.00
PERMAL GROUP
b Drakkar Growth $ 2222.08
b EuroMir (Ecu) Ltd Ecu 1228.97
b Media Ltd $ 977.38
b Nascal Ltd $ 1651.57
w Updyke Ltd $ 273.00
b Value N.V. $ 2150.06
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 108.53
b Eurovol (Lux) Ecu 172.99
b Global Value (Lux) Quant. Ecu 126.08
m Int'l Small Cap (IOM) $ 387.90
d Pictet Valsuisse (CH) SF 445.85
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 30.94
w Asian Selection Fd N.V. Fl 55.43
w DP Amer. Growth Fd N.V. $ 32.04
w Environment Growth Fund Fl 55.02
w Eur. Growth Fund N.V. Fl 61.97
w Japan Diversified Fund $ 45.88
w Leveraged Cap Hold. $ 387.68
w Tokyo Pac. Hold. N.V. $ 215.67
PRISM ASSET MANAGEMENT
(212) 332-1032 advisor to:
d Prism Fut. Fd (EFF) $ 297.52
d Conqueror $ 94.25
d PTJ $ 128.18
d Apex Fund Ltd $ 98.88
d Rainbow $ 121.64
d Emerald Futures Ltd $ 99.91
d Harmonic Futures Ltd $ 108.92
PUTNAM
d Emerging Hlth Sc. Trust $ 29.36
d Putnam Em. Info. Sc. Trust $ 17.73
d Putnam Glob. High Growth $ 13.53
d Putnam High Inc. GNMA Fd $ 9.83
d Putnam Int'l Fund $ 11.87
PYRFORD, SWITZ (088) 25 17 25
w Pyrford Australian AS 95.50
w Pyrford Int'l SF 104.75
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 102.40
d Rolinco Fl 102.30
d Rorento Fl 86.50
d Rodamco Fl 56.50
d RG America Fund Fl 99.60
d RG Europe Fund Fl 99.70
d RG Pacific Fund Fl 100.40
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Seq) $ 157.37
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 5.159
w RBC Canadian Fd Ltd + C$ 14.12
w RBC European Fund + £ 12.03
w RBC Far East & Pac. Fd + $ 41.25
w RBC Int'l Bond Fund Ltd + $ 13.39
w RBC Int'l Capital Fund + $ 54.36
w RBC Mngd Currency Fd + $ 43.15
w RBC North America Fd + $ 15.98
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 9.86
w Republic Gam Fund $ 105.08
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 13.11
w Equity Int'l Inc $ 11.32
w Equity Global $ 1.34
w Equity Far East $ 2.08
w Equity Gold $ 0.69
w Equity Japan Y 129.00
w Equity Nordic $ 1.42
w Equity U.K. £ 1.38
w Equity Continental Europe $ 1.33
w Equity Mediterranean $ 1.03
w Equity North America $ 1.46
w Bond Int'l Acc $ 9.37
w Bond Int'l Inc $ 6.71
w High Income Acc $ 1.31
w High Income Inc $ 1.00
w Bond Sweden SKr 12.57
w Bond DEM DM 1.80
w Bond Dollar $ 1.09
w Multicurrency $ 1.34
w Enskilda Int'l Bond $ 108.16
SOCIETE GENERALE GROUP
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 12.98
w SF Bonds B Germany DM 24.41
w SF Bonds C France FF 96.63
w SF Bonds D Switz SF 21.25
w SF Bonds E G.B. £ 9.32
w SF Bonds F Japan Y 1678.00
w SF Bonds G Europe Ecu 13.58
w SF Bonds H World Wide $ 13.15
w SF Bonds J Belgium BF 631.00
w SF Eq. K North America $ 13.49
w SF Eq. L W. Europe Ecu 13.61
w SF Eq. M Pacific Basin Y 1474.00
w SF Eq. N France FF 70.08
w SF Eq. P Growth Countries $ 12.93
w SF Eq. Q Gold Mines $ 10.78
w SF Eq. R World Wide $ 12.46
w SF Short Term S France FF 131.91
w SF Short Term T Eur Ecu 13.96
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1033.72
w S.I.F. France Distrib. FF 1033.72
w S.I.F. GB Capital £ 116.14
w S.I.F. GB Distrib. £ 116.14
w S.I.F. Japan Capital Y 13682.00
w S.I.F. Japan Distrib. Y 13682.00
w S.I.F. US Capital $ 172.63
w S.I.F. US Distrib. $ 172.63
w S.I.F. World Capital $ 136.88
w S.I.F. World Distrib. $ 136.88
ASIA FUND
d BTW Category A $
d BTW Category B $
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc $ 111.17
w SAM Strategy Inc $ 97.86
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 8.86
b SHB Bond Fund $ 48.83
w Svenska Sel. Fd Amer Sh $ 12.88
w Svenska Sel. Fd Germany DM 9.51
d Svenska Sel. Fd Int'l Bd Sh $ 18.96
w Svenska Sel. Fd Int'l Sh $ 48.89
d Svenska Sel. Fd Japan Y 517.00
d Svenska Sel. Fd Nordic Sh $ 10.30
w Svenska Sel. Fd Pacif Sh $ 4.68
d Svenska Sel. Fd S/T Ass Sh $ 10.48
d Svenska Sel. Fd Swed Bds SKr 1063.75
SWISS BANK CORP. (Issue Prices)
d SBC 100 Index Fund SF 1109.00
d SBC Euro stock Ecu 145.00
d SBC Sfr Bond A SF 1082.99
d SBC Sfr Bond B SF 1124.77
d SBC Ecu MMF Ecu 2945.92
d SBC £ MMF £ 2274.91
d SBC US$ MMF $ 4543.77
d SBC Yen MMF Y 537146.00
d SBC DM Short A/B DM 1061.79
d America Valor $ 301.25
d Anglo Valor £ 187.47
d Asia Portfolio SF 581.97
d Convert Bond Selection SF 97.70
d D-Mark Bond Selection DM 108.19
d Dollar Bond Selection $ 134.81
d Ecu Bond selection Ecu 99.82
d Florin Bond Selection Fl 112.32
d France Valor FF 1705.27
d Germania Valor DM 470.41
d Gold Portfolio SF 242.25
d Iberia Valor Pta 49028.00
d Ital Valor Lit 411478.00
d Japan Portfolio Y 30526.00
d Sterling Bond Selection £ 104.37
d Sw. Foreign Bond Selection SF 102.28
d Swissvalor SF 382.60
d Universal Bond Selection SF 74.75
d Universal Fund SF 110.14
d Yen Bond Selection Y 10913.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 9.67
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.48
d Class A-2 $ 10.68
d Class A-3 $ 10.65
d Class B-1 $ 9.32
d Class B-2 $ 10.52
INCOME PORTFOLIO
d Class A $ 10.05
d Class B $ 10.02
TERMINVEST Tel: 40.70.92.89
m Dual Futures Fd Cl D Units $ 107.41
m Galaxy Futures Fund Ltd $ 109.47
THORNTON MANAGEMENT Ltd
d Eastern Crusader Fund $ 9.09
w Global Access Fund $ 9.47
d Pacif Invt Fd SA £ £ 10.83
d Pacif Invt Fd SA DM DM 29.48
d Pacif Invt Wrnt Fd SA £ £ 5.63
d Pacif Invt Wrnt Fd SA DM DM 14.77
d Thor. Lilli Dragons Fd Ltd $ 21.36
d Thornton HK Gateway Fd $ 16.33
d Thornton Int'l Opp. Fd $ 1.71
d Thornton Japan Fund Ltd $ 28.99
d Thornton Orient Inc Fd Ltd $ 21.84
w Thornton Phil. Redev. Fd $ 24.92
d Thornton Tiger Fd Ltd $ 30.91
NEW TIGER SEL. FUND
d Indonesia $ 7.05
d Malaysia $ 10.48
d Thailand $ 9.06
UEBERSEEBANK Zurich
d B-Fund SF 994.37
d E-Fund SF 549.04
d J-Fund SF 370.01
d M-Distribution SF 94.95
d M-Fund SF 1076.96
d UBZ Euro-Income Fund SF 9.79
UNION BANK OF SWITZERLAND
d Amca American Shares SF 43.50
d Bond-Invest SF 60.80
d Brit-Invest Shares SF 773.00
d D-Mark-Invest Bonds DM 202.90
d Dollar-Invest Bonds $ 114.90
d ESPAC Spanish Shares SF 204.00
d Eurit SF 335.50
d Fonsa Swiss Shares SF 214.00
d Francit Shares SF 198.00
d Germac Shares SF 234.00
d Globinvest Shares SF 110.50
d Gold Invest Shares SF 205.50
d Holland-Invest Shares SF 248.00
d Itac Shares SF 203.50
d Japan-Invest Shares SF 1315.00
d Sima (stock price) SF 229.50
d Skandinavien-Invest SF 244.50
d US$ Money Mkt Invest $ 1043.25
d Yen-Invest Bonds Y 83471.00
UNION INVESTMENT Frankfurt
d Unifonds DM 35.30
d Unirak DM 75.40
d Unirenta DM 37.85
d Unizins DM 106.55
UNIVERSAL GROUP OF FUNDS
d Universal Global C$ 5.81
d Universal Cdn. Growth C$ 10.45
d Universal Cdn. Resource C$ 4.45
d Universal American C$ 9.45
d Universal Pacific C$ 8.88
d Canada Guar. Mortgage Fd C$ 14.94

Other Funds

r Acticroissance FF 508.55
d Actifinance Int'l $ 1047.33
w Actifutures Ltd $ 1148.29
w Actiopetion FF 1272.05
w Actinvest Int'l $ 27.89
w Aquila International Fund $ 266.95
b Ariane $ 4899.11
b Asia Oceania Fund $ 9.40
m Associated Investors Inc $ 882.75
b Atlantic Fund $ 77.44
r Australia Fund $ 17.11
w Balfour Maclaine Series 1 $ 955.22
w BDD Inv Fund-Ecu Bd Ecu 3640.99
w BEM International $ 6.71
w Bondselex-Issue Pr. SF 185.50
m Cal Futures 1990 Fd Ltd $ 24.89
d CB German Index Fund DM 129.77
w CMI Investment Fund $ 1472.00
d Colbert Croissance FF 75.49
d Colbert Finances FF 118490.39
d Colbert Tresor FF 1214.40
w Convert. Fd. Int'l A Certs $ 17.33
w Convert. Fd. Int'l B Certs $ 68.10
w Cumber Int'l N.V. $ 237.73
d D. Witter Wld Wide Ivt Tst $ 24.94
w D.G.C. $ 212.97
w Daiwa Japan Fund Y 8518.00
w Diso Income Fund FR 38.13
d Dreyfus America Fund $ 19.36
w Dumelux Amerique $ 1036.90
w Dumelux Asie Pacifique $ 1036.90
w Dumelux Bonds Plus $ 991.30
w Dumelux Europe Ecu 1041.65
w Dumelux France FF 6343.30
w Dumelux Opportunit $ 1036.90
m Dumenil Arbitrage Fd NV $ 775.75
w Eas Overseas Fund Ltd $ 1155.00
d Emi Belg. Ind. Plus (A) BF 8989.00
d Emi Belg. Ind. PLus (B) BF 8989.00
d Emi France Ind. Plus (A) FF 868.54
d Emi France Ind. Plus (B) FF 868.54
d Emi Germ. Ind. Plus (A) DM 92.76
d Emi Germ. Ind. Plus (B) DM 92.76
d Emi UK Index Plus (A) £ 101.76
d Emi UK Index Plus (B) £ 101.76
m Enigma Currency Fd $ 22.30
w Espir. Ste Inv M Ecu Bd Fd Ecu 100.61
w Espir. Ste Inv M Stn Eur Fd $ 13.65
w Esprit Sicav Ecu 1238.56
d Euroaud FF 1033.29
d Europe 1992 $ 9.69
d Europe Obligations Ecu 88.29
w F.I.T. Fund FF FF 122.13
w FMJ.P. Portfolio $ 8.5345
w Fairfield Int'l Ltd $ 145.80
w Fairfield Sentry Ltd $ 222.25
w Fairfield Strat. Ltd $ 64.25
m Fatum Fund $ 785.51
m First Eagle Fund $ 29306.87
w First Ecu Ltd Ecu 98.98
w First Frontier Funds $ 71.86
w FL Trust Switzerland SF 97.84
d Fonditalia $ 79.99
w Fonselex Issue Pr. SF 157.80
d Force Cash DM Sicav DM 5284.86
d Force Cash Ecu Sicav Ecu 2696.35
d Force Cash FF Sicav FF 13568.38
d Force Cash US$ Sicav $ 3098.18
d Forexfund Limited $ 9.83
w Formula Selection Fd SF 64.72
d Frankt-Trust Effekten Fd DM 143.59
d Frankt-Trust Interzins DM 48.38
m Gems Progressive Fd Ltd $ 1100.80
w George V Inv. Bond F. $ 20.94
m Gerston Sel. Associates DM 1594.44
d Green Line France FF 642.72
w Hasenbichler Com AG $ 1630.00
w Harssman Hldgs. N.V. $ 378.75
w Heatsch T.F. SF 10041.00
w Hestia Funds $ 154.34
w Horizon Fund FF 10627.71
w Ibex Holdings Ltd SF 188.40
w IFDC Japan Fund Y 30795.00
r ILA-IGB $ 1.53
r ILA-IGS $ 9.94
r Int'l Securities Fund Ecu 28.24
m Interface Fund Ltd $ 156.75
d Interfund SA $ 42.58
w Intermarket Fund $ 489.19
w Intersec SA $ 3694.53
d Investa DWS DM 75.33
d Investmentor Fund $ 187.89
m J Capel Guaranteed Fund $ 9.98
w Japan Pacific Fund $ 223.08
m Japan Selection Assets Y 10457.00
w Japan Selection Fund $ 232.14
d JJ Placement FF 12887.94
w JWH Worldwide Fund $ 9.70
d Kenmar Guaranteed $ 9.55
w Kenmar Int'l - B $ 10685.00
d Kenmar L/C $ 8.43
m Key Hedge Fund Inc $ 112.36
d KML-II H. Yield $ 628.92
w Korea Growth Trust $ 29.49
w LACO International $ 5.57
w Leumi Val. Francaises FF 1014.87
m London Portfolio G'td. I $ 89.71
m London Portfolio G'td. II $ 8.36
m London Portfolio Services $ 9.48
w Luxfund $ 106.98
m Lynx Sel. Holdings SF 122.82
w M.Kingdon Offshore N.V. $ 8.74
m Maritime Fund Int'l Ltd $ 854.19
w Mat Growth ESCF DM 30.43
w Mat Growth USCF $ 11.26
w Matterhorn Offshore Fd $ 9198.94
w MBE Japan Fund LF 2247.00
m MCM Int. Limited $ 156.60
d Mediolanum $ 37.95
w Moore Global Invts. Ltd $ 2138.51
d NCA Fund $ 10.41
w Nippon Fund $ 109.00
d NM Inc. & Growth Fund $ 17.05
m NMT Asian Sel. Portfolio $ 199.94
w NMT Citadel Bond SF 116.19
m NMT Nostec Portfolio $ 148.82
d Nomura-Cap Int'l Eq Fd $ 14.21
d Nordmix Lit 12001.00
w Noveurope Ecu 2894.00
m NSP F.I.T. Ltd $ 10.20
m Oppenheimer U.S. Arb. $ 132.51
w Optimum Fund $ 1345.50
m Overlook Performance $ 1540.48
d Pacific Nies Fund $ 7.12
d PAM Futures Trad. $ 381.57
w Pancurri Inc. $ 17.33
m Paragon Fund Limited $ 10.25
w Plurivest International FF 115.77
d Precision Fd Ltd $ 77.52
d Profirent S.A. DM 1100.42
w Prosp. I.H. Inc. P.F. $ 107.83
w Pupet-Mohe Barclays Poc. $ 3.77
w Quantum Fund N.V. $ 15479.29
m Quark Int'l Trad Prog. $ 9145.261
w Quasar Fund N.V. $ 103.43
d SAGA Court Terme FF 1290.79
d SAGA France FF 463.59
d SAGA Long T. Capital FF 1136.46
d SAGA Perspectives FF 1101.74
d SAGA Premiers FF 1238.75
w Samurai Portfolio SF 301.90
d Sanyo Kie. Spain Fd $ 10.32
d Sarakreek Holding n.v. $ 18.40
d Saturn Fund $ 3131.87
d SCI / Tech. SA Luxembourg $ 18.39
m Scimitar Guar. Curr Fd $ 7.54
m Scimitar Guaranteed $ 8.52
m Securefund 2000 Ltd $ 5.00
m SLH Guar. F.F.I. $ 1081.38
w SP International SA $ 6123.70
w Steiner BVI Europe $ 4822.00
d Strat. Int'l Gold Fund SA $ 6.96
m Sussex McGarr $ 1742.00
w Techno Growth Fund SF 154.77
d Templeton Global Inc. $ 10.81
d The Petrus Fund Ltd $ 1.06
w Thema M-M Futures $ 942.70
m TIIC (OTC) Jap. Fd Sicav $ 15.38
w Transpacific Fund Y 25856.00
d Triton Offshore Class A $ 324.59
d Triton Offshore Class B $ 328.41
d Tudor B.V.I. Futures Ltd $ 8791.37
d Turquoise Fund $ 172.73
m Tweedy Browne (UK) n.v. $ 1413.17
w Tweedy Browne n.v. Cl A $ 1882.93
w Tweedy Browne n.v. Cl B $ 1282.53
d Uni Bond Fund Ecu 1785.47
r Uni Capital Fund $ 1241.57
d Unico Equity Fund DM 64.37
d Unico Inv. Fund DM 71.09
m Unifrad US$ $ 1097.59
m Unifrad FF FF 11444.38
m Unifrad SF SF 1123.78
d Univers Bonds DM 148.74
w Ursus Int'l Ltd $ 8480.00
w Vanderbilt Assets $ 14.91
m Victor Futures Fund $ 389.08
w Willer Asian Fund $ 10.36
w Willerbond Capital $ 14.78
d Win Global Fd Bd Ptfl Ecu 104.87
d Win Global Fd Eq Ptfl Ecu 114.78
d Win Global Fd Res. Ptfl SF 285.96
d World Balanced Fund S.A. $ 12.37
w Worldwide Securities $ 48.38
w Worldwide Special $ 372.32
m Zweig Int'l Ltd S/3 $ 13481.86

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ● - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

No Accord Yet From Japan-EC Talks

Compiled by Our Staff From Dispatches

TOKYO — The Foreign Ministry said Friday that a lot of hard bargaining lay ahead before it could sign a joint political declaration with the European Community next month.

The high-level talks between Japanese and EC officials in Japan ended late Thursday, as members of the European Parliament in Strasbourg called on the European Community to take a strong stand on Japanese car imports and to strengthen its own industry to cope with increased Japanese competition.

The parliament adopted a report from M.P. Carole Tongue which "regrets the absence of a detailed written plan and an appropriate timetable" for the opening up of the EC market to Japanese car imports. The socialist from Britain accused the EC Commission of "naïveté" in its current negotiations with Japan on the opening of the EC market after 1993.

Negotiations on the joint declaration will continue, one official in Tokyo said. "We will have to work hard," he said.

A spokesman for the Finance Ministry, Taizo Watanabe, said that Japan hoped the declaration would be ready for signing at a summit meeting between Prime Minister Toshiki Kaifu and EC leaders in the Netherlands just after the July 15-17 London summit of Group of Seven nations.

The Nihon Keizai newspaper said Friday that the two sides differed on an EC demand for references to economic and trade matters aimed at rectifying the enormous and worsening imbalance in trade and investment between the two.

The first official said Japan wanted a broad agreement that did not focus exclusively on economic and trade issues.

Finance Ministry figures released on Thursday showed that the EC trade deficit with Japan in the first five months of this year surged to $12.06 billion from $7.3 billion in the corresponding 1990 period. Also in dollar terms, EC exports to Japan fell in May from the year earlier.

Economists said the growing deficit was due to a drop in Japanese imports of EC autos and paintings, while its exports to the Community continued strongly, with Germany accounting for about half the growth because of high demand in East Germany.

One European diplomat said the strong German demand would continue until early next year. He estimated the deficit for all of 1991 at $25 to $30 billion, up from $18.45 billion in 1990.

The diplomat said Japan did not want any specific reference to the idea of balance in the declaration. Japanese officials say this would amount to managed trade and that they cannot tell their companies what to do.

The EC Parliament report called for the shortest possible period of transition to open up the EC market after the single European market takes effect in 1993, and said that this period should be used to achieve a reciprocal opening of the Japanese market.

But the report questioned the Commission's working hypothesis that the auto market would pick up in the coming years and expressed concern over the increasing number of Japanese cars in the Community, whether imported or built in Japanese plants in Europe.

There can be no question of accepting any more plants that simply assemble Japanese-produced components while the EC car industry is facing an overcapacity which could be as high as 20 percent by the year 1995, Mrs. Tongne said. That would threaten up to 100,000 jobs in a dozen EC factories, she said.

During the transition period, the EC should set a single quota for Japanese cars that includes both imports from Japan and production at Japanese plants within the EC, the report said. *(Reuters, AFP)*

Cresson, the Label, Wears Well in Japan

Agence France-Presse

TOKYO — Cresson is gaining popularity in Japan, particularly among young girls — Cresson label clothing, that is, not Edith Cresson, the French prime minister.

"Sales jumped four times from three years ago to 2.7 billion yen ($19 million) last year and are expected to rise further to 3.8 billion yen this year," said a spokesman for Descente Ltd., Japan's largest sportswear maker, of the company's Cresson brand of resort wear.

"We started to sell Cresson brands in 1987. Our products were named after a vegetable and not after the French prime minister," said the acting manager, Toshihide Tanaki.

He attributed the popularity of the clothing to watercress, *cresson* in French, which is known as a healthy product in Japan.

Mrs. Cresson, appointed prime minister last month, is known widely in Japan for her harsh criticism of Japan's aggressive economic stance.

Taiwan Licenses 2d Overseas Carrier

Compiled by Our Staff From Dispatches

TAIPEI — The Taiwan government on Friday ignored bitter protests by some members of the legislature and gave final approval to the island's second international airline to start flying.

Eva Airways, Taiwan's first private international carrier, was granted an operating license by the Ministry of Communications.

Frank Hsu, president of the company, said the airline would begin service July 1 with daily flights to Bangkok and three flights a week to Seoul.

It plans to begin flights to Jakarta, Singapore and Kuala Lumpur in July, and to Vienna and Sydney in September.

Eva Airways is part of the Evergreen Group, the world's largest container-ship company. Evergreen has a fleet of 66 vessels.

Braving legislative charges of influence-peddling by the airline, the communications minister, Eugene Chien, said Friday that he was acting in the interests of the nation and private investors.

"If this action causes any turmoil, I will take all responsibility," Mr. Chien said, "and even resign if necessary." The minister took office only on June 1.

A small group of legislators sought to block Eva's application, accusing the airline of influence-peddling to acquire land for facilities at Taipei's international airport. Eva has denied any wrongdoing.

The lawmakers also said Eva broke Taiwan's aviation rules by leasing aircraft when the rules required it to buy the planes.

Mr. Chien countered that the regulations, drafted about 20 years ago, were outdated and would be revised to allow airlines to operate with leased planes.

He said Eva would have lost nearly 26 billion Taiwan dollars ($960 million) if it had been refused the license.

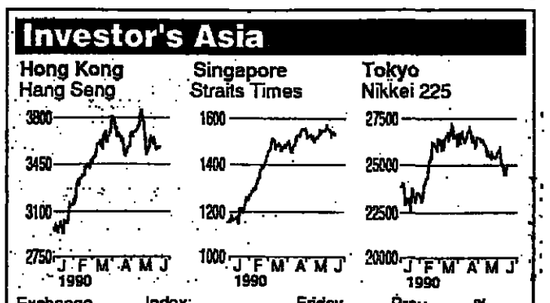
Eva is now leasing three Boeing 767-300ER aircraft from an affiliated company in Panama.

The airline has ordered or obtained options to buy a total of 28 planes over the next six years.

The state-controlled China Airlines, which has been Taiwan's only international airline, also leases some of its planes.

One legislator, Lee Sheng-fung, said before Mr. Chien's decision that he would sue the minister if the license was granted. *(Reuters, AP)*

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3639.15	3632.55	+0.18
Singapore	Straits Times	1527.50	1536.67	-0.60
Sydney	All Ordinaries	1507.40	1493.30	+0.94
Tokyo	Nikkei 225	25093.89	24808.17	+1.15
Kuala Lumpur	Composite	627.13	624.66	+0.40
Bangkok	SET	812.68	811.00	+0.21
Seoul	Composite Stock	613.71	610.05	+0.60
Taipei	Weighted Price	5817.74	5775.55	+0.73
Manila	Composite	1141.62	1142.15	-0.05
Jakarta	Stock Index	379.76	382.85	-0.81
New Zealand	Barclays	1422.00	1413.50	+0.60
Bombay	National Index	636.44	631.69	+0.75

Sources: Reuters, AFP International Herald Tribune

Marine Midland's Woes Bring Change at Top

New York Times Service

NEW YORK — The change of chief executive at Marine Midland Banks, which will now be run by a top executive from the parent Hongkong & Shanghai Banking Corp., comes after Marine has been repeatedly hurt by losses from bad loans.

The bank announced Thursday that John R. H. Bond, a 49-year-old Briton who is an executive director of Hongkong Bank, would replace Geoffrey A. Thompson, who is resigning.

Hongkong Bank took control of Marine in 1980, and the bank has been a source of vexation for its parent ever since. John M. Gray, deputy chairman of Hongkong Bank, said recently that "we still believe that our strategy of buying an American bank is correct" but acknowledged that the execution "was very bad."

Mr. Bond is generally regarded as the third-highest-ranking officer at Hongkong Bank. He has spent time in Singapore, Thailand and Indonesia and was the chief executive for the Americas from 1987 to 1990.

Under Mr. Thompson, an American who became chairman in 1988 after joining the bank in 1981, Marine Midland had been retrenching and pulling back from many businesses outside its consumer banking and lending to medium-sized companies.

Last year, Marine's problems with bad loans led to a $295 million loss, which required Hongkong Bank to supply $300 million of additional capital. In the first quarter of 1990, announced a loss of $72.3 million.

Seoul Sets 10% Limit on Foreign Shareholdings

Compiled by Our Staff From Dispatches

SEOUL — Foreign holdings in publicly traded South Korean companies will be limited to 10 percent of their stock when the Seoul market is opened to direct foreign investment on Jan. 1, the Finance Ministry announced Friday.

The major reason for setting a limit on foreign investment was to prevent a possible disruption of market order, ministry officials said.

Individual foreign investors will be restricted to 5 percent of the stock of publicly traded companies. In some strategic areas such as transportation or utilities, the ceiling will be 3 percent.

However, stocks converted from bonds floated in London and New York in recent years will be excluded from these restrictions.

The government will allow foreign investors to remit stock dividends or investment capital to their countries freely, the announcement said.

South Korea, under pressure from the United States to liberalize its capital markets, had promised some time ago to open its stock market in 1992, but the exact date had not been announced. The government decided to speed up the schedule to help stimulate the market, which has been in the doldrums this year.

The composite stock index, which peaked at 1,000 in early 1989, has been lolling in the 600 range recently.

In March, the ministry approved the applications of four foreign brokerage firms, two American and two British, to open branches in South Korea.

In a related development on Friday, the stock exchange said it would allow foreign securities firms to obtain member seats.

South Korean brokers and bankers have expressed deep fears that they may not be able to compete with the more developed and experienced foreign traders. Some analysts say the market-opening measures, as they unfold in the months to come, could in some part reflect these fears. *(AFP, AP, Reuters)*

Cathay Pacific to Take Delivery Of 3 More 747s for $440 Million

United Press International

HONG KONG — Cathay Pacific Airways announced Friday that it had converted options for three Boeing 747-400 passenger jetliners to firm orders in a deal worth about $440 million.

Cathay, Hong Kong's flagship airline, said it would use the new planes to raise the capacity and frequency of its services to Europe, Australia and South Africa, and to upgrade its service in Asia. The planes are to be delivered between May 1993 and March 1994.

Peter Sutch, Cathay's deputy chairman, said the new orders were evidence of optimism about the airline business, despite the world recession, and about Hong Kong's future as an aviation center.

In March, Cathay said its net profit for 1990 fell 10 percent to 2.99 billion Hong Kong dollars ($384 million). It attributed the drop to soaring fuel prices, the global economic slowdown and the Gulf war.

FREE INFORMATION

FROM INTERNATIONAL INVESTOR XXI

Herald INTERNATIONAL Tribune.
Published With The New York Times and The Washington Post

The latest information from the distinguished companies listed in this section is available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page and return it to us before July 1, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

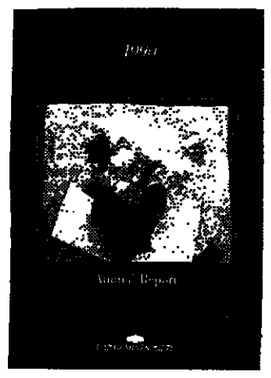
ALCATEL ALSTHOM

Alcatel Alsthom is a world leader in telecommunications, energy and transportation, providing comprehensive expertise in these business areas. With over 200,000 people Alcatel Alsthom is active in over 100 countries around the world, primarily in Europe.
1990 key financial data: Sales FF 144.1 billion, Net income group share FF 5 billion, up 29%, Earnings per share FF 49, up 20%.

1

CAP GEMINI SOGETI
EXPERTISE IN INFORMATION TECHNOLOGY

CAP GEMINI SOGETI, an independent and public group with about 19,000 employees, is one of the leading computer professional services companies in the world and the largest in Europe. In 1990, CAP GEMINI SOGETI realized consolidated revenues of F.F.9.17 billion (+ 30%) distributed among the United States (CGA) and Europe. Net profitability after taxes reached F.F.623 million (+ 17%), which represents 6.8% of revenue. The company is registered on the Monthly Settlement Market of the Paris Stock Exchange and its leadership is acknowledged in all advanced software technologies.



2

CMB PACKAGING
LIFE IN SHAPES

In a world of advanced technology and design, the specific talents of CMB Packaging can really stand out.
Enriched with its European diversity and skills, this Group reaches the top rank within the food sector and plays a key role in numerous other business areas of packaging such as: health & beauty, aerosols, beverage cans, plastics and industrial products...
Thanks to its people, teams and partners, we have at our disposal the many products, systems, shapes and colours necessary to life.
CMB Packaging people share one common goal: to set the place as the best packaging professionals in Europe and throughout the word.

CMB Packaging in brief: Leader in Europe with a turnover of 24,4 billion FRF, 34000 employees and 160 factories in 35 countries.

3

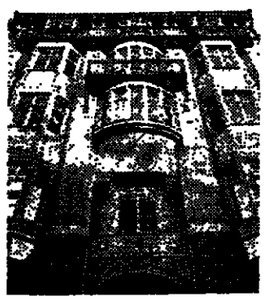
Hoechst

Hoechst is one of the leading chemical companies in the world.
In 1990 sales of the Hoechst Group amounted to DM45 billion; 75% of Group sales were achieved abroad. Profit after taxes reached DM1.7 billion. The return on equity after taxes was 13.4%. Capital expenditure of the Hoechst Group on tangible fixed assets rose to DM3.4 billion. Expenditure on research exceeded DM2.7 billion. About half of research expenditure is allocated to the development of new drugs.
Some 15,000 people work in our research laboratories. Hoechst has around 180,000 employees worldwide.

4

INDUSTRIVÄRDEN

Industrivärden is an industrial holding company with a listed stock portfolio worth nearly SEK 9,000M. The Group includes industrial operations (PLM and Dacke) as well as trading opertions (Indutrade) with a combined turnover of SEK 8,000M, and also real estate held for investment purposes (Fundament) with an estimated market value of SEK 1,600M at the 90/91 turn of year.
The Group's earnings after financial items but before profit on sales of stocks and CPN interest amounted to SEK 528M (382).



5

LYONNAISE DES EAUX DUMEZ

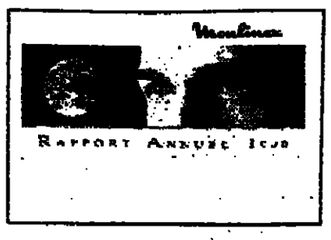
The Group Lyonnaise des Eaux-Dumez works in fields that contribute to improving quality of life in urban communities. It specializes in construction and development (buildings, public works, industrial installations, engineering structures), environment-related domains (water supply, energy technologies, waste management), services to communities (communications, mortuary services, leisure, health care, and concessions for the construction and operation of toll-roads and parking facilities).
Group workforce totals 110,000, and revenues in 1990 were 72 billion French francs. Net income after minorities was 1.425 billion francs. Earnings per share rose 17,6% from 26.8 francs in 1989 to 31.6 in 1990.

6

Moulinex

1990 FACTS AND FIGURES
- Consolidated turnover: 5,964 million French francs (+16.35%) net consolidated result: 160 million French francs.
- Acquisition of a majority shareholding in the Mexican company, Vistar, which reinforces the company's position on the North American continent.
- Construction of the Group's European Research Centre.
- Negotiations leading to the acquisition of Krups on 7th January 1991.

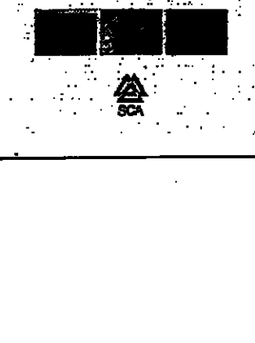
1991 OBJECTIVES
Following a rapid external growth phase (the acquisitions of Swan and Girmi in 1989, of the majority shareholding of Vistar in 1990, and of Krups in 1991), the Group's 1991 priorities are the international development of the Moulinex and Krups brands, the organisation of the new group and an overall improvement in profitability.



7

SCA

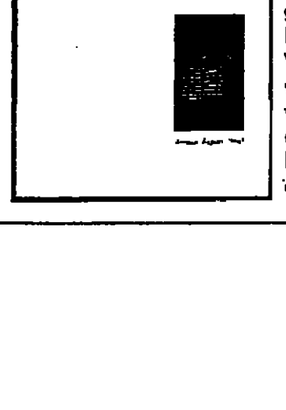
The most significant event in 1990 was the acquisition of Reedpack, which gave SCA a strong position as the leading European company in transport packagings. SCA also gained access to technology for newsprint based on recycled fiber and became Europe's second largest waste paper merchant. The proportion of consumer-oriented and converted products increased to two thirds of sales.
Earnings after financial net was SEK M 2,127. Earnings per share amounted to SEK 7.26.



8

VEBA

VEBA's activities are spread among the electricity, chemicals, oil and trading/transportation/services market. In 1990, the Group again achieved good results. Net income after minority interests reached DM1,209 million. All business areas contributed to an 11% growth in sales up to DM55 billion.
VEBA is planning to invest DM30 billion worldwide up to 1995, about 26% of which will be placed in the Länder of East Germany.



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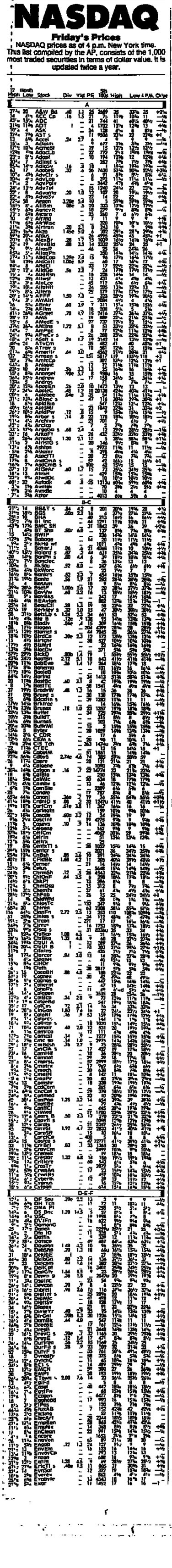
NASDAQ

Friday's Prices

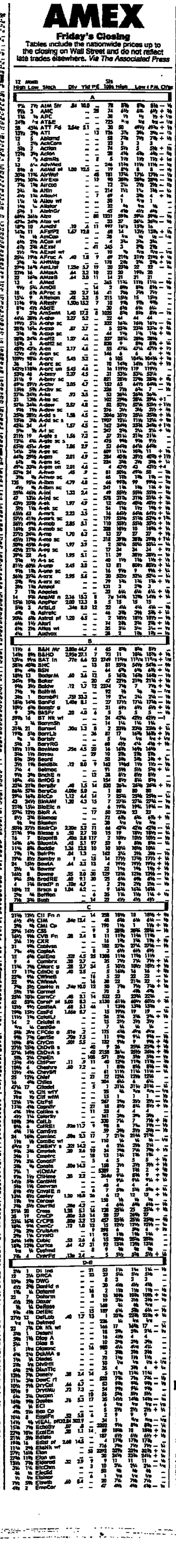
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

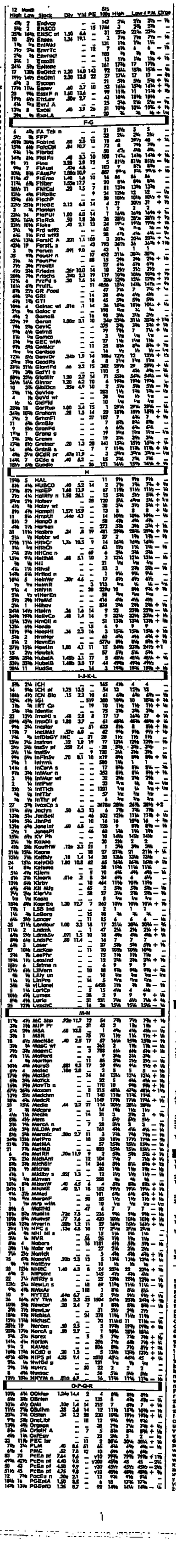


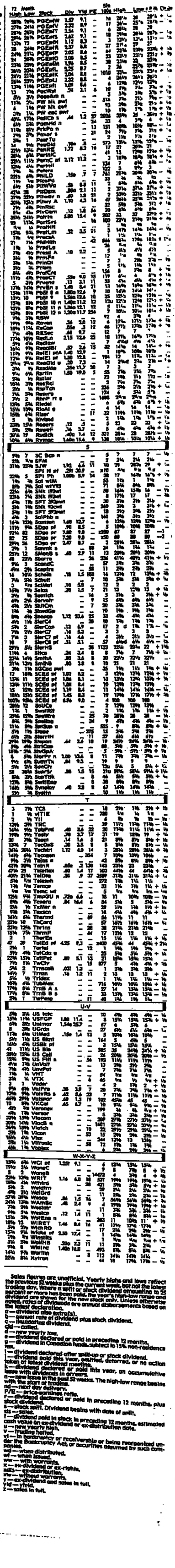
AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*







Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s).
b—annual rate of dividend plus stock dividend.
c—liquidating dividend.
cld—called.
d—new yearly low.
e—dividend declared or paid in preceding 12 months.
g—dividend in Canadian funds, subject to 15% non-residence tax.
i—dividend declared after split-up or stock dividend.
j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k—dividend declared or paid this year, an accumulative issue with dividends in arrears.
n—new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd—next day delivery.
P/E—price-earnings ratio.
r—dividend declared or paid in preceding 12 months, plus stock dividend.
s—stock split. Dividend begins with date of split.
sls—sales.
t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u—new yearly high.
v—trading halted.
vj—in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd—when distributed.
wi—when issued.
ww—with warrants.
x—ex-dividend or ex-rights.
xds—ex-distribution.
xw—without warrants.
y—ex-dividend and sales in full.
yld—yield.
z—sales in full.

ADVERTISING SECTION

Austria
THE MIDDLE EUROPEAN

A New Balance in a Realigned Europe

As the economic and political shifts in Central and Eastern Europe continue, Austria finds itself strategically placed in the new European balance.

The seven-member European Free Trade Association (EFTA), of which Austria is a member, is currently conducting negotiations with the European Community on creating a European Economic Area of 380 million people, which would take effect Jan. 1, 1993. First mentioned in the Luxembourg Declaration of 1984, this association is considered a means of allowing EFTA nations the chance to establish closer ties with the EC without actual membership.

The aim is to finalize an agreement by June 25. Membership in the European Economic Area is not, however, Austria's final goal, since it would involve consultative but not voting status, keeping certain restrictions intact. In addition, to compensate for increased competition, the EC has demanded that EFTA finance a special fund to help poorer EC members.

Austria's thriving economy is already highly integrated into that of the EC

Austria continues its campaign to be admitted to the EC as a full member. The report of the EC Commission recommending Austrian membership is expected within the next few months, paving the way for negotiations to begin.

The common consensus is that Austria will be accepted. It would be the first newcomer to the 12-member organization since Portugal and Spain joined in 1986. Austria officially submitted its application to Brussels in July 1989. The EC Commission was given a mandate by the EC Council of Ministers to file its report on Austria's application, which EC President Jacques Delors has promised for this summer.

According to one optimistic scenario, negotiations could begin in 1992 or 1993. A referendum would be held in 1994, with ratification in the EC and European Parliament by 1995.

"There has been a definite breakthrough. A solid consensus in the EC is in favor of Austrian membership," says Peter Jankowitsch, state secretary for European affairs and integration.

Western leaders who have expressed their support include German Chancellor Helmut Kohl, French Foreign Minister Roland Dumas and Enrique Baron Crespo, president of the European Parliament. Italian Foreign Minister Giulio Andreotti said Austria was the "most natural and logical candidate" for membership.

Mr. Jankowitsch attributes the change to the thaw in East-West relations, which has diminished fears that admitting a neutral Austria would hamper the flexibility of the West or exacerbate relations with the Soviet Union. In a conflict-free Europe, neutrality is no longer considered an obstacle. American Secretary of State James Baker said the organization would profit from Austria's extensive ties to Eastern Europe.

"To some extent, we used to be Eastern Europe's eyes, showing them how the West was. Today, we are the West's door, a base for the European Community in Central Europe," Mr. Janowitsch says.

The Austrian government has launched an ongoing information campaign to dispel the misgivings of European officials. It has institutionalized political consultations with Brussels and worked hard to coordinate its diplomatic efforts. One notable convert is Belgian Foreign Minister Mark Eyskens, who voiced his fervent opposition to Austria's application, only to change his mind afterward.

Some analysts claim Austria will likely be admitted together with Sweden, which is preparing its own application for entry. With the exception of Greece, the original six-member European Community has never accepted one nation at a time.

Austria's socialist-conservative coalition government, led by Chancellor Franz Vranitzky, has made EC membership a top priority. Mr. Vranitzky has pledged that Austria will actively contribute to the process of European unity.

Austria's thriving economy is already highly integrated into that of the EC, which accounts for two-thirds of Austria's trade. Austria's per capita income is higher than the EC average. Its currency is pegged to the Deutsche mark, and many EC standards and regulations have already been adopted. Austria has increased its efforts to participate in the EC's research and space programs.

Projects with Czechoslovakia, Hungary, Italy and Yugoslavia have been discussed

A study made by the Austrian Institute of Economic Research concludes that membership would increase employment, exert downward pressure on prices and stimulate economic growth.

Nevertheless, there are potential stumbling blocks, particularly the issue of transit traffic. The European Community has exerted pressure on Austria to increase the annual contingent of trucks permitted to transport freight through the country, leading politicians to charge that the EC is aiming to link membership to a successful resolution of the matter.

It is a sensitive subject in Austria. Thousands of trucks roll through the country every day, the majority in the western province of Tyrol, spewing exhaust, tainting forests and creating noise pollution. Some 5.2 million tons of freight are transported along Austria's roads annually, almost five times the figure for Switzerland, which has a 28-ton limit for vehicles compared with Austria's 38-ton limit.

To absorb some of the expected growth in transit traffic, Austria is investing billions in a drive to expand its capacity to transport freight on the rails. Austria is also trying to encourage its European neighbors to switch to more environmentally friendly vehicles. Thus, Minister of Transportation Rudolf Streicher recently floated the idea of connecting permits granted to exhaust-fume levels.

Neutrality is another touchy issue. In 1955, Austria declared its "permanent neutrality" some months after the State Treaty, which restored the country's sovereignty following 10 years of occupation by American, British, French and Soviet troops. EC officials generally contend that Austria's neutrality is compatible wth membership. Austria might find it difficult to enter the EC, however, should European unity be defined as including a military component, such as the use of force or sanctions.

There are some dissenting opinions. Martin Bangemann, vice president of the EC Commission, caused a stir when he called Austria's neutrality "obsolete."

Austria cannot now join a military pact or have foreign military bases on its soil. Nevertheless, European leaders were reportedly pleased with Austria's positive response to the American request to transport weapons through the country during the Gulf war. "The Gulf war showed that we could work within a system of collective security," Mr. Janowitsch says.

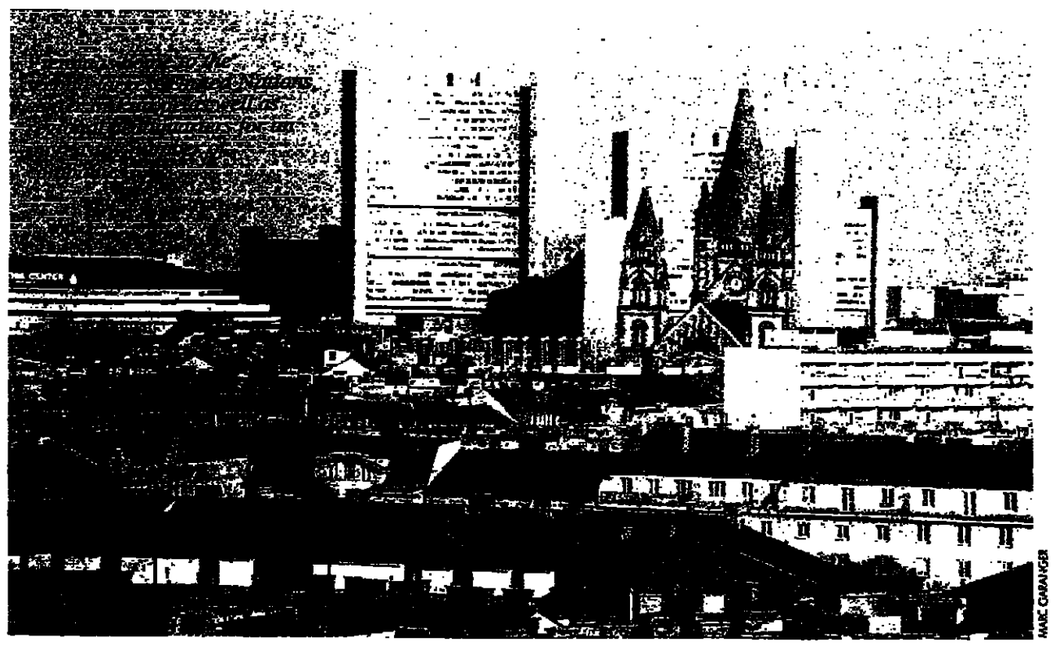
Many Austrians fear EC membership would lead to a quick sellout of real estate to foreigners, or force the government to back down on the nation's strict environmental protection laws. Farmers and small-business owners are worried about the adverse economic effects of membership. Three out of Austria's top five industries — food, chemicals and electronics — would be particularly vulnerable to EC competition.

The long-standing dream of creating a political and economic entity in the middle of Europe has been revived in some circles. The heads of government of Austria, Czechoslovakia, Hungary, Italy and Yugoslavia met last year to discuss forms of regional cooperation, particularly in the areas of environmental protection, transportation, tourism and culture.

Austria may also become a more important regional factor in the future. Depending on political and economic developments in Eastern Europe, Austria could add up to 2 million people to its current 7.5 million population by 2031, according to a recent study.

Jan Stankovsky, expert at the Austrian Institute of Economic Research in Vienna, warns: "Central Europe is not an equally strong partner to the European Community. There is no alternative."

Despite the emphasis on the EC and its ties to Eastern Europe, Austria will continue to play the role of mediator and peacemaker. "The country's ability to promote dialogue and to make compromises is still very much sought after," says Foreign Minister Alois Mock.



Chancellor's View Scans East and West

Franz Vranitzky, 54, leads the current socialist-conservative coalition government. Named finance minister in 1984, he has served as chancellor since 1986. Here he speaks with Clifford Stevens about Austria's current priorities.

What role will Austria play in the "New Europe"?

Given the changes in Europe, Austria's role will have to take new forms. We are now politically and geographically in the center of Europe. We intend to actively participate in the unification process in the European Community and help Eastern Europe to catch up economically. We will continue to press for regional cooperation on many issues.

Eastern Europe is faced with massive economic problems. There is political unrest in Yugoslavia and the Soviet Union. How can Austria make a positive contribution?

Austria is one of the top joint-venture partners in Eastern Europe. We are transferring our management know-how and getting involved in business projects. We can also make our knowledge of the area available to Western Europe and North America.

Many West European nations fear a huge influx of East European immigrants could take place. How open are Austria's borders?

We believe in controlled immigration. There are limits as to how many immigrants we can absorb. We will do what we can to support these countries, so that their people will find hope and opportunities there.

Austria applied for EC membership in July 1989. Despite many misgivings on the part of the population and experts, Austria continues to pursue this goal. Why?

Our considerations are more than economic. We believe in the area of European unity, as a new design for the Continent. But it is a fact that we also do two-thirds of our trade with the EC. Starting in 1993, there will be a single market. We have to preserve our chances. The EC will not be a simple import-export association. We also have to utilize the chances membership offers. Environmental and transportation issues and research projects have to be dealt with on a European level. The European Economic Area is not an alternative, just a station along the way.

Franz Vranitzky, Austria's chancellor.

Will Austria's neutrality be an obstacle to membership?

We will have to wait and see. Austria has shown it can fully participate in the UN resolutions, in a system of collective security. But the EC must first define exactly what political union and security require of its members.

What are your other foreign and domestic priorities?

We must increase our development aid for the Third World. We will introduce a new charter for the environment at the World Environmental Conference in 1992 in Rio de Janeiro. We want to increase our political and cultural presence in North America and the Far East. Domestically, we need to reform the health-care system, make sure the country's finances are in order and commit more resources to education, research and development.

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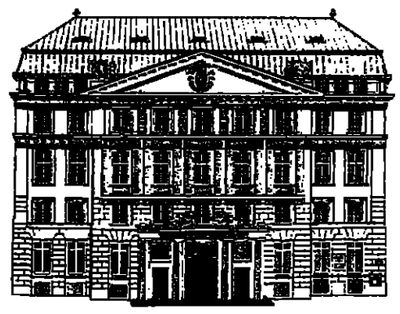

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ADVERTISING SECTION

Stock Market Expected To Rebound in 1991

Vienna's stock market was the top international exchange in 1989, second best in 1990. Prospects are good that Vienna's bourse will bounce back from its lackluster performance in 1991.

Back in 1989, Vienna's exchange rose to 511.51, an increase of 111 percent and four times the level of growth achieved in Frankfurt, London, New York or Paris.

The trend continued into 1990. The first three months closed with a 40-percent rise, spurred by foreign investors. They were responsible for up to 50 percent of daily trading.

In 1990, foreigners purchased 64 billion schillings ($5.3 billion) in Austrian shares, particularly English, German, Japanese, Swiss and French investors. A number of Austria funds were established, the largest by Nomura Securities' Austria Equity Fund, with a volume of around $140 million. Between 25 percent and 30 percent of Austrian shares are estimated to be in foreign hands.

The Gulf crisis overshadowed later developments, however. Plans to issue shares were delayed, and cautious investors left the market, which fell to a yearly low of 464.68, closing at 502.26 at the end of the year. Whereas only one company ended 1989 at a loss, 63 stocks dropped in 1990. The overall decline of "only" 1.8 percent put Vienna second behind Hong Kong.

Nevertheless, a record high of 739.21 was posted in 1990. Turnover in shares, warrants and participation certificates reached 220.6 billion schillings, triple the 1989 level. A record 23 capital increases valued at 10.2 billion schillings were carried out. The number of newly listed domestic shares, 18, was also an all-time high. The largest was the placement of 110 million schillings by the group Bau Holding.

Six foreign firms offered shares in 1990, and travel agency Ibusz of Hungary became the first East European company to go public on a foreign exchange. The number of Austrian shareholders is now around 4 percent of the population, compared with only 1.5 percent three years ago.

A new law went into effect that tightened disclosure requirements and brought the exchange more in line with international standards. Computerized trading using the PATS system was extended to include shares and participation certificates as well as options.

In the first quarter of 1991, the Vienna stock market rallied 12 percent to 562.28, but the market has stagnated since then. Market capitalization climbed 20 million schillings, to 311 billion schillings, but trading was low, down to 47.3 billion schillings from 63.2 billion schillings a year ago.

Analysts say the Vienna stock market still has too little liquidity to handle massive foreign involvement, and too few blue chips. The information flow about listed firms has not yet reached international standards. The top 10 stocks are responsible for 52 percent of total trading, the top 30 for over 80 percent.

The Vienna Stock Exchange expects about $500 million in new shares and capital increases in June alone.

The question now is whether the exchange will be able to absorb a series of new issues in June 1991. The banks waited for the end of the Gulf war to prepare the listing of new shares and capital increases. Around $500 million in additional capitalization is expected in June alone.

The capital increases will be led by oil giant OMV. The largest new listing is the newly created Austria Magnesia Holding, with the share offering valued at $130 million, and the real-estate subsidiary of construction materials producer Wienerberger.

The dampening enthusiasm for Eastern Europe, its political and economic problems and the realization of the enormous cost of German unification have made foreign investors cautious. Many Austrian investors, reeling from the downturn of the exchange last year, decided to put their money in less risky fixed-interest securities.

Prospects for the rest of 1991, however, are considered good. Fritz Schweiger, financial analyst at Girozentrale Vienna, expects the market to close between 600 and 650 at the end of 1991, with foreign investors regaining confidence in the Vienna market. Marko Musolin, head of investment banking at Creditanstalt Bankverein, predicts a steady upward trend.

Profits of companies listed on the exchange are expected to rise 12.1 percent, tops in Europe. The economy will continue to be strong. It grew at a rate of 4.6 percent in 1990, the highest in Europe, outpacing the OECD average of 3 percent. In 1991, 3.25-percent growth is expected, again higher than the 2.25 percent OECD average. Inflation in 1990 was 3.3 percent, rising slightly to 3.7 percent in 1991.

Austrians will continue to move away from traditional savings forms to shares. Insurance companies are now permitted to invest more heavily, and a new pension fund law allows up to 30 percent of assets in equities.

The market will continue to attract new foreign and domestic issues. In 1990, Austrian Industries, the country's largest industrial group, issued a $285-million public bond with an option to purchase fixed-price shares. This can be redeemed when it lists on the Vienna, London and Zurich stock markets, as well as German exchanges.

The government plans to reduce its share in Creditanstalt and Länderbank, the two state-owned banks, and Osterreichische Verkehrsbüro, the top travel agency. Frantschach, Austria's largest paper and cellulose group, will go public in 1992 or '93. Shares of an increasing number of Hungarian firms are also being traded on the Vienna exchange.

Trading hours will be prolonged. A new Austrian Traded Index was recently inaugurated. International investors can now plug into Vienna quotations via the Reuters on-line system.

In July, a fully computerized market for options and financial contracts will begin operations, making professional risk and portfolio management in Austrian shares and bonds more attractive.

Bank Merger Signals New Competitiveness

The recent fusion of two top Austrian banks represents a far-reaching change in the country's banking sector that is likely to intensify merger pressures on other institutions and increase efficiency overall.

For years, speculation on which of Austria's banks would team up together was rampant. A major overhaul of the banking sector was considered essential to rationalize operations, increase efficiency and gain the clout necessary to meet foreign competition effectively.

"Combining forces is necessary to generate substantial economies of scale and enhance a bank's revenue base," says the chairman of Girozentrale, Hans Haumer.

Few mergers had actually taken place, however, until the merger of the third and fourth biggest banks, Zentralsparkasse and Osterreichische Länderbank, effective retroactively to Jan. 1, 1991, created a new megabank with 9,000 to 10,000 employees and close to 500 billion schillings ($41 billion) in assets.

According to Länderbank's chairman, Gerhard Randa, one of the two designated directors along with the Zentralsparkasse chief, Alfons Haiden, the new institution will have the largest client and branch base in Austria. It will be given a new name and logo this autumn.

The bank aims to become one of the dominant players in traditional banking, finance, private banking, asset management and stock issues. Mr. Randa says it will take only three years to complete the merger.

"Our institutions complement each other. We have an enormous synergy potential to reduce overhead costs and open up new markets," he says. In addition, the banking sector has a good chance of remaining Austrian-owned for the time being.

Hans Handler, bank expert at the Austrian Institute of Economic Research, calls the fusion "a breakthrough, a necessary step in the right direction to be able to compete in the international markets of the future."

Mr. Haumer of Girozentrale concedes that the new bank is going to be a "powerful competitor" that will force his bank to "strive even harder." The savings-bank sector, he adds, including First Austrian Bank, with whom Girozentrale is pursuing intense merger discussions, may be forced to cooperate more closely. Several major banks already have foreign partners.

Change is considered long overdue. For one thing, size is a problem. Even if the 10 largest Austrian banks end up as three to four large banks, they will each be only midsize players in the European league. Some analysts believe that no prospective fusion will reach the necessary "critical mass" of 700 billion schillings. Furthermore, Austria has the densest branch network in Western Europe. The number of independent credit institutions in Austria surpasses the total for Switzerland and Britain combined.

According to a McKinsey study, fee revenues cover only half the costs of accounts. Banks suffer from unnecessary duplication and high personnel costs. Most smaller institutions have a minimum capital reserve below the EC minimum. Problems with foreign branches, the decline on the Vienna exchange due to the Gulf war, and irretrievable loans abroad were among the reasons that several banks reduced dividends. According to Austria's National Bank, the operating result of the sector declined.

Competition is expected to increase in the future. "Austria will not remain a competitive market itself," says Guido Schmidt-Chiari, chairman of Creditanstalt Bankverein AG.

As a result, in the last decade, Austria's banking sector has become increasingly sophisticated, transformed by new technology and products such as electronic banking, financial engineering and portfolio management. Investment in Austria has shifted toward riskier, higher-yield financial instruments. Austria's banking secrecy law is one of the strictest in the world. The country's banks have earned high marks as reliable partners. A recent Moody's report concludes that the banking sector is prepared for the new Europe and is in a position to adhere to EC guidelines without adverse effects on credit ratings.

Girozentrale led the first privatization in Eastern Europe — of Hungarian travel agency Ibusz — and will manage one of the first large privatizations in Czechoslovakia. It is the leading player on the Budapest stock market and has financed major construction projects in Budapest, Moscow and Warsaw.

Austria's banks, with a home base of only 7 million people, are unlikely to become world players. "Vienna will never be a financial center on the scale of London or New York. It will not even be able to compete with Frankfurt or Zurich," says Creditanstalt's Mr. Schmidt-Chiari. "But Vienna could very well become a financial center for specialized transactions and a financial gateway to Central and East European markets."

Alongside the European trend toward bigger banks, smaller and more specialized institutions such as Bank Winter, Austria's largest privately held bank, also have an important role to play.

"Clients have an increasing need for generalists who are on the pulse of things, who can provide the right kinds of advice," says Thomas Moskovics, managing director of Bank Winter. "We are solution-finders for complicated problems, offering creative ways of financing. We can handle deals that would require the attention of several departments in larger banks."

One example among many was the syndication of a loan within an African country for a company near bankruptcy, with part of the risk guaranteed in Austria.

Bank Winter has long experience in export, trade and project financing. It has also developed a renowned expertise in East-West business ties, for example in switch and barter transactions and letter-of-credit financing.

After their merger, Zentralsparkasse and Osterreichische Länderbank will have combined assets of 500 billion schillings.

For one thing, over 60 foreign banks are now represented in Vienna, 35 with their own offices. Recent arrivals include Crédit Suisse First Boston, Schweizerische Kreditanstalt, Deutsche Bank, ABN and NMB banks from the Netherlands, Nomura, Daiwa Securities and Mitsubishi Bank of Japan.

In addition, November 1991 will mark the full liberalization of capital transactions in Austria. Bond issues and foreign accounts will not require special permits. Measures passed by the National Bank have removed most restrictions, allowing investments in foreign companies, securities or land as well as unrestricted import and export and loans in foreign currency. A reform of the 1986 banking law is being prepared that will raise minimum capital reserves to conform to EC standards.

Despite the problems, the Austrian banking sector has been far from inactive. "So far, we have been able to cope with the challenges of the open European market, mainly because Austria is an extremely

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Investment Gap Narrows as Business Looks Outward

Unlike the Swiss and the Swedes, who have long-established multinationals and production sites abroad, Austrian businesses used to concentrate on exports. Now, companies are in the midst of unprecedented investment abroad.

Hundreds of Austrian companies are acquiring foreign businesses, setting up production facilities in other countries or establishing strategic alliances in the form of joint ventures or know-how deals. Constantia, Plansee, Radex, Swarovski and Wienerberger are a few of the many companies that have realized that moving abroad is a prerequisite for competing effectively in world markets. Ski-producer Atomic, railroad-builder Plasser & Theurer and Hirsch watchbands are three examples of Austrian companies that are world leaders in their fields.

The year 1989 was a turning point. It was the first time Austrian direct investment abroad exceeded foreign investment in Austria. In 1990, Austrians pumped 18 billion schillings ($1.5 billion) into their overseas operations, two-and-a-half times more than foreign companies in Austria. Austrian investment abroad has risen from 1.4 percent of the gross national product in 1985 to 4.5 percent.

Some 80,000 workers are employed in Austrian subsidiaries abroad, a far cry from 17,000 jobs in 1986. An estimated 1,500 to 2,000 companies have subsidiaries or production facilities abroad, compared with only a few hundred in 1980. The sum total of the country's investments abroad is now 65 billion schillings, rapidly closing the gap with the foreign stake in Austria.

"There has been a marked change of attitude in recent years," says Friedrich Gleissner, head of the foreign trade division of the Austrian Federal Chamber of Commerce. "Expanding abroad has become an integral part of the strategy of Austrian industry."

Ninety trade delegations around the world support Austrian firms, providing a variety of services, including sales promotion; product advertising; trade missions; technical, legal and marketing assistance; consulting in the import-export business and joint ventures.

"When a company plans to go abroad, we serve as an effective partner, or at least a starting point," says Mr. Gleissner. The Federal Chamber has expanded its presence abroad, particularly in the United States, the Far East, the European Community and Eastern Europe.

There is room for improvement, however. Austria does three-quarters of its trade with the European continent. Companies are often reluctant to tackle overseas markets, particularly the Far East and the United States. Compared with Austria's 80,000 employees abroad, Sweden has 270,000 and Switzerland 700,000. Austria does not have large multinational flagships. In addition, despite the progress made, there is still too little professional marketing and research and development abroad.

Austria is also a presence in Eastern Europe. In 1990, exports to Eastern Europe rose 15 percent. Ten percent of total exports went to the region, around four times the OECD average. Austria's construction branch, to take one example, is in the vanguard of modernizing hotels, office space, transportation and tourist facilities in the region. Austria is the top joint-venture partner for Bulgaria and Hungary, and ranks second in Czechoslovakia.

Billions are being invested to expand highway and train connections, and Vienna Airport offers extensive flight connections to the region. The World Trade Center at Vienna Airport is designed to link East-West business. An East-West fund of 5 billion schillings has been set up to offer risk protection to firms doing business in Eastern Europe.

State-owned Austrian Industries, the country's largest industrial group, has been a major factor behind the internationalization drive. In 1990, 15 percent of the group's 77,800 employees were working outside of Austria, compared with only 6.3 percent in 1987. Austrian Industries posted a profit of 3.2 billion schillings in 1990; 22.5 percent of group revenues of 156 billion schillings were derived abroad. As recently as 1985-87, the group had posted losses topping $3 billion. "Even in times of adverse economic conditions, our profit situation remains a stable one," says Chairman Hugo Michael Sekyra. " We still have a lot of profit potential."

Oil giant OMV has diversified into petrochemicals, plastics and chemicals. It has a 40-percent market share in geotextiles, acquiring a 60-percent stake in the geotextile division of Rhône-Poulenc of France. Its acquisition of the melamin division of Enimont in Castellanza makes it one of the top producers. Through expansion of its refinery at Burghausen, Germany, it is one of the top 10 polyolefine manufacturers in Western Europe.

According to Mr. Sekyra, management strategy has been changed to emphasize "synergy management" within the group rather than restructuring. Mr. Sekyra has also propagated "integrated competence," using the expertise of the group to meet specific consumer demands — for example, recycling steel, aluminum and plastics from cars. The going-public option bond of 1990 and a later listing on stock exchanges is designed to provide additional capital to promote investments and further internationalization.

Austria has a number of powerful arguments to give it an edge in Europe's hotly contested race to attract foreign investors. These include a thriving economy, a highly skilled work force, political stability, a highly developed industrial, communications and transportation infrastructure and a corporate tax rate that was reduced from 55 percent to 30 percent.

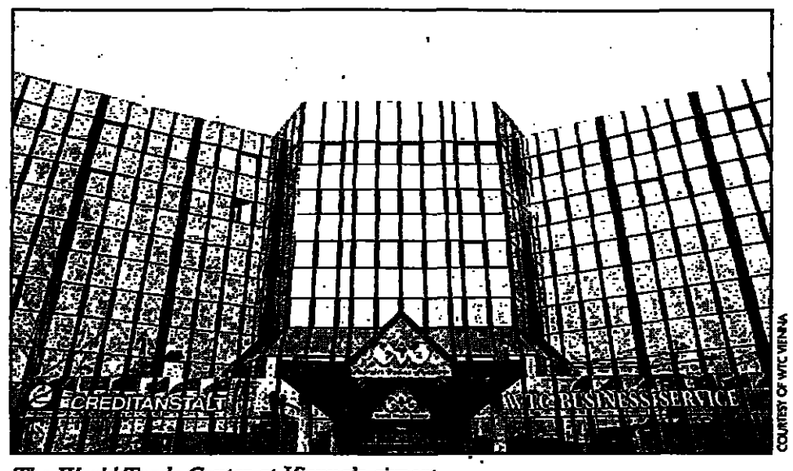
"The reform process in Eastern Europe has moved Austria into the heart of the New Europe. And Austria's expected admission into the EC has further guaranteed Austria's current duty-free relationship with the Common Market," says Gerald Genn, chairman of ICD Austria, a federally funded investment agency. "Those are important selling points, which boost our chances of attracting foreign investors."

In 1990, Chrysler Corp. decided to make Austria its European headquarters and the center of its Voyager van production, with investments totaling $400 million. General Motors recently announced plans for $400 million in investments to expand engine and transmission output at its Viennese manufacturing facilities. Its Packard Electric Division set up a plant to produce wiring harnesses; its subsidiary, Rochester Products, manufactures fuel injectors in Austria. Sony is one of many Japanese firms that have discovered Austria. Sony will make Austria its European center for the production of compact disks and laser video disks.

Lured by the country's expertise and historical ties to Eastern Europe, over 1,000 Western companies have based their East European operations in Vienna, including American Express, Coca-Cola, Daimler-Benz, Miele, Nestlé and Pepsico. The Western presence is particularly felt in the computer sector. Companies such as Control Data, Hewlett Packard, IBM and Tandon have their East European headquarters in Vienna. The nation's capital has also become the hub for the training of East European managers and executive search and personnel recruitment.

"Besides a knowledge of the region's mentality, Vienna has an above-average business experience in the region and a large management potential," says Klaus Woltron, chairman of Asea Brown Boveri. "Austria's competitive edge in Eastern Europe will continue for some time."

This advertising section was written by Clifford Stevens, a financial and business journalist based in Vienna.



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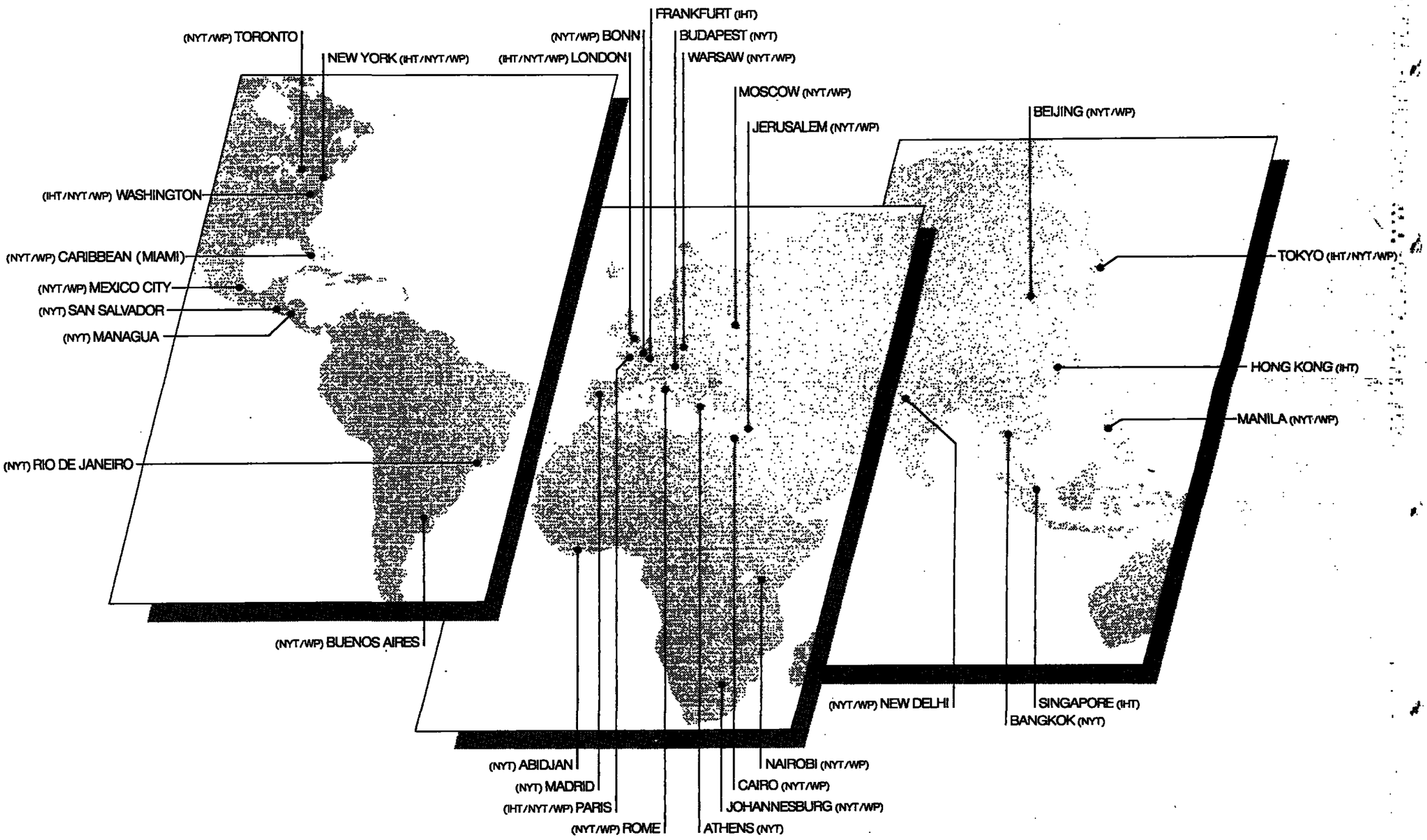

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Coming To Expect Volatility

MARKETS reflect expectations. But to each market its own expectation. That's what U.S. markets seemed to be indicating, until expectations started to converge this week.

The dollar surged after the Gulf war, expecting the new political ascendancy of the United States to blossom into economic growth. Stocks also rallied, fueled by the Federal Reserve's easy money policy. And bonds marked time, fearing the prospects of a Fed-induced recovery but reassured enough by a falling inflation rate to not panic.

All was fine until the consensus, encouraged by the Fed's own prognostications, shifted toward a faster recovery. And so investors have seen the dollar soar even as bonds and stocks have tumbled.

There are few hopes today that the 1990s will start like the '80s — a rising dollar, a bull run in stocks and falling interest rates. This time there is no historic stimulus like the trend to disinflation that allowed interest rates to fall and stocks to shoot back from a decade-long slump.

Instead, the long-awaited world capital shortage finally has its grip on the markets. The United States remains a debtor nation, even if allied war contributions gave it a one-time surplus in the first quarter. Reunification has suddenly made Germany a net taker of funds rather than a supplier. And Moscow is threatening to jump ahead of Eastern Europe in the borrowers' queue with a request for a cool $35 billion a year from the West.

So the mere scent of a U.S. recovery — and still a likely subpar one — drives up interest rates enough to threaten to snuff out the rebound. And, wouldn't you guess, some pundits are even plugging for that scenario as the only hope of getting interest rates down enough for a really sustainable recovery. Soon, maybe that too will be factored into expectations.

In the meantime, investors can be sure to expect a volatile ride in stocks and bonds as expectations adjust and readjust. And this time around, there won't be so many easy pickings. For a world loaded with debt and awash with competitors for scarce funds, money will have to seek out truly productive investments, and perhaps wait more patiently for a return.

Tokyo Arbitragers Keep Small Investors Away

By Tony Shale

STOCK index arbitrage, the bogey of Wall Street in the late 1980s, is haunting the Tokyo Stock Exchange today. And even if the fears are exaggerated and the arbs are being made scapegoats for more fundamental problems, as many arbitragers say, the activity appears to be frightening many small investors away from the market.

Talk of an arbitrage time bomb dominated the Tokyo market for much of the past two weeks. A nine-month accumulation of outstanding arbitrage positions worth over 1 trillion yen ($7.14 billion) raised fears of a selloff ahead of Friday's settlement date for the June futures contract. And between June 3 and June 12, the Nikkei 225 index fell about 1,430 points, or 5.5 percent, to 24,482.69.

'Investors have been reading that the fall of the market has been due to the foreign arbitragers.'
Jesper Koll of S. G. Warburg.

The bulk of those positions were simply rolled over into the September contract, however, and the market rallied at the end of the week, closing Friday at 25,093.89. But some arbitragers say the day of reckoning has merely been put off to Sept. 13, when the next contract expires.

"This has become, and will continue to be, a quarterly ordeal for the market," said Keith Richmond of Jardine Fleming Securities. "The inevitable has only been delayed for another three months."

In Japan, arbitrage positions are always long on stock and short on the Nikkei 225 futures index because futures trade at a premium. Brokers say that's largely because transaction costs are high in the cash market, encouraging people to buy the futures.

Since last September, arbitragers have built up huge positions in stocks against sales of futures contracts. Rather than close positions out every quarter, they have rolled them over by buying back the expiring contract and selling the further one. They were able to do that again profitably this time because the September contract was trading at a sufficient premium to the expiring June contract. Mr. Richmond estimated that about 550 million shares were rolled over into the September contract, or about 70 percent of total arbitrage positions.

But proposed changes in the composition of the Nikkei index threaten to preclude any rollover of September contracts. The newspaper that owns the index announced last November that it would replace six of its most illiquid stocks by this October. Since the announcement, only one change has been made, when Pioneer replaced the merged Mitsubishi Materials on Nov. 26.

"On that occasion," said Richard Johnson of Baring Securities, "there was no advance warning and many lost heavily trying to get out of positions in the replaced stock." Fears that the other changes will be made just as arbitrarily are likely to force arbitragers to unwind their positions before October, he said. That would mean selling a pool of stocks that currently amounts to more than two times the Tokyo exchange's average daily volume of less than 300 million shares.

"This means that September 13 has become the critical date: a kind of deadline," Mr. Richmond said.

Arbitragers hold over 3 million shares in some Nikkei stocks that, they say, typically trade less then 100,000 shares a day. Owing to the nature of the index (it is price — as opposed to value weighted), a concerted selloff in these shares would cause a disproportionately large decline in its value.

"Maximum damage would be a fall of several thousand points," Mr. Johnson said. "With volumes as low as they have been, a major unwinding could cause havoc."

BUT some analysts say the fears are overdone. Steven Reiter, a derivatives specialist at Salomon Brothers in London, said the arbitrage positions are overstated. Many so-called cash-and-carry positions — for example, long on stocks and short on the June futures contract — were offset by calendar spreads — long on June futures on short on September futures. A big portion of the June futures position netted out, requiring no sales of stocks.

Mr. Reiter also said the arbitrage positions looks daunting because daily volume in stocks is so pitiful. That's because Japan's tight interest-rate policy has discouraged investment in stocks, he said. But Salomon, which is one of the two biggest arbitrage players in Tokyo, forecasts a credit easing this summer. The firm also sees strong support for stocks among Japanese institutions at about 24,500 on the Nikkei.

So, although Mr. Reiter agreed that arbitragers will be sellers of stocks throughout the September futures contract, he predicted they would be selling in a rising market. Salomon is predicting the Nikkei will hit 30,000 by the end of the Japanese fiscal year next March 31.

Whatever the market outlook, brokers said the growing influence of arbitragers in a thin stock market has put off the return of Japan's individual investors, who deserted the exchange last year during the big market decline.

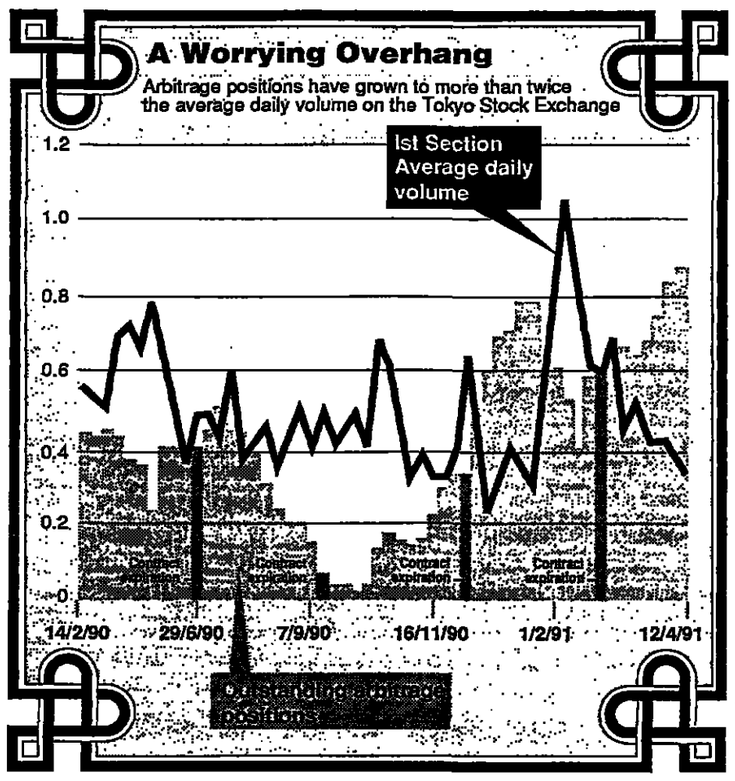
"The TSE has been trying desperately to lure the small investor back to the market," said Jesper Koll, chief economist at S. G. Warburg Securities in Tokyo. "It has even lowered the minimum lot size from 1,000 to 100 shares. But investors have been reading for over a year that the fall of the market has been due to the foreign arbitragers and their electronic programs."

The growth of arbitrage also points up a radical change in the nature of the Tokyo exchange. The activity is dominated by foreign brokers, and it has shaken the hold on the market that had been wielded by the big four Japanese securities houses — Nomura, Daiwa, Nikko and Yamaichi — who controlled up to 80 percent of daily trading as recently as two years ago. That, in turn, weakens the authorities' once-fabled ability to manage the stock market's movements.

"The TSE and the Ministry of Finance have got to live with it, but you couldn't say that they are particularly delighted by the prospect," said Andrew Ballingal, chief strategist at Barclays de Zoote Wedd Securities.

Now there is a feeling that the Ministry of Finance will try to wrest back the initiative. One arbitrager said officials had been issuing verbal "advice" during the past fortnight not to unwind positions to all houses active in futures arbitrage. Mr. Johnson said reporting requirements on arbitrage positions were shortened recently to daily intervals.

"Now there are rumors that the MOF wants to set daily limits on the arbitrage business of individual houses as a means of further dampening the market," he said. He believes that the effectiveness of such a solution is dubious in that it would simply lead to a greater number of players entering the market. "Besides," he continued, "You cannot legislate away an arbitrage opportunity. Quite to the contrary, the more regulations, the more arbitrage possibilities arise."



Seeking Best Of Cyclical and Growth Stocks

By J. J. Duffy

CYCLICALS or growth stocks? Wall Street has tilted to the former in recent weeks as signs of an imminent recovery have lifted hopes for an earnings rebound in American smokestack industries.

But some market analysts say investors should hedge their bets until it becomes clear just how vigorous the recovery will be.

James Solloway, research director at Argus Research Corp. in New York, recommends that investors turn to what he described as "chicken cyclicals." Such companies are economically sensitive like cyclicals, but have a diversified stream income that makes them less volatile, somewhat like growth stocks.

Two such companies, he said, are General Electric Co. and Minnesota Mining & Manufacturing Co. Both have major interests in consumer markets as well as heavy industry and that helps even out cyclical swings in earnings, Mr. Solloway said.

On the same theory, some market strategists recommend what they call "consumer cyclical growth" stocks. Such stocks, like Wal-Mart Stores Inc., should get a strong cyclical bounce from the recovery as sales of consumer durables rise. But they also should be cushioned in the event of a renewed business downturn by sales of nondurables such as food and clothing.

"I see growth remaining the dominant strategy over the long term, but cyclical stocks are starting to become better trading plays," said Roberta Robins, market analyst at Robinson Humphrey in Atlanta. "With the consumer cyclicals you can get a bit of both."

Although the recent rise in interest rates looms as a major threat to a recovery, some analysts say it only reinforces the shift to cyclical stocks.

Ricky Harrington, strategist at Marion Bass Securities in Charlotte, North Carolina, said stock prices could be in for a severe correction if long-term bond yields move above 8.5 percent. In that case, a cyclical stock like GE, which is trading at about 15 times trailing 12 month earnings, may have better support than a growth stock like Merck & Co., which has a P/E of about 23.

"If you look at cyclicals relative to the general market, they represent better value," he said.

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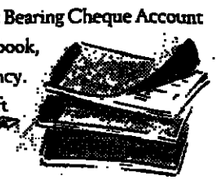

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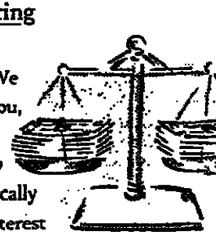

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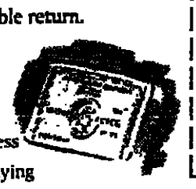

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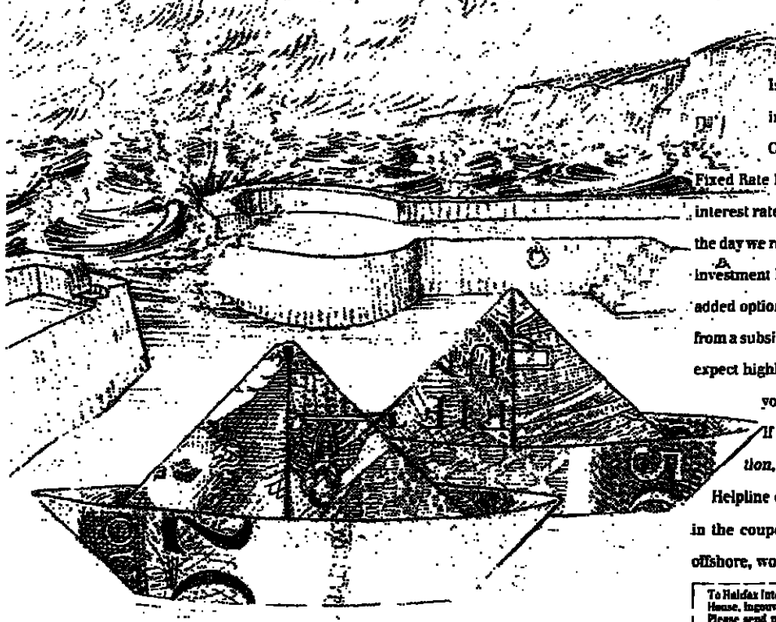

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THE MONEY REPORT

Source: Sao Paulo Stock Exchange — International Herald Tribune

Brazil's Battered Stocks Bounce Back

By Judith Rehak

BATTLE-SCARRED veterans of investing in Brazil can hardly be blamed if they feel a bit manic-depressive of late.

Only six months ago Brazil seemed to be doing its utmost to uphold its long-standing reputation as an economic disaster. The economy had slid into severe depression after President Fernando Collor de Mello froze wages, prices and bank deposits in a drastic attempt to control inflation, estimated at 1,600 percent last year. Not surprisingly, the São Paulo stock market was the world's worst performer last year, plummeting 70 percent to a capitalization of only $15.4 billion.

But by the end of May that same market had bounced back to a capitalization of $36.9 billion and was receiving the stamp of approval from no less an investing luminary than Barton Biggs, chairman of Morgan Stanley Asset Management, which is currently floating a $40 million Brazil fund. Not that a dramatic turnaround has suddenly transformed Latin America's largest and most chaotic economy. It is still deeply depressed, but there are signs that investor attitudes are changing.

"What we see is optimism driven by the feeling that the recession has bottomed out," said Eduardo de Faria of London-based Latin American Securities. He cites a slight pick-up in economic activity and a slowing of inflation to 7.5 percent in May, an impressive feat by Latin American standards. Mr. Faria's firm runs the Brazilian Investment Co. fund, whose net asset value has doubled to $20 a share since January, and the $95 million Latin American Investment Trust, which has 30 percent of its assets in Brazil.

A second big boost to Brazil's stock market was the appointment last month of Marcilio Marques Moreira, the former ambassador to the United States, as minister of economics. The successor to the controversial Zelia Cardoso de Mello, whose policies alienated the business and financial community, he is highly respected abroad and at home.

"He's a conciliatory person who can sit down at a table with businessmen and bankers and work out solutions," Mr. Faria said. "The slate has been wiped clean and I believe the pace of economic reform will quicken."

But most compelling to foreign investors is the opportunity to get in on some extraordinary bargains in Brazilian shares. Even after the market run-up, many top companies are priced on average at just 35 percent of book value.

Edmund Games, who runs the New York-listed Brazil Fund, cited, for example, Vale do Rio Doce, the government-run mining company. Its market value is currently under $2 billion although its assets alone are worth $10 billion. The company is well managed and most of its sales are exports, paid for in hard currency. Another favorite of foreign investors is Brazil's phone company, Telebrás, with a market value of $1 billion. Selling at only one times earnings, Mr. Games called the shares "grossly mispriced" compared to other phone companies.

Although foreign investors tend to stick with big-name companies, Brazil's huge population of 148 million — 67 percent of it under 29 years old — makes some lesser-known consumer-oriented companies like Estrela, which manufactures the ubiquitous Barbie Dolls, a favorite of Mr. Games. He also holds Kibon, a company which is 97 percent owned by General Foods and has cornered 60 percent of the ice cream market. "In a bad year it earned 20 percent on shareholders' capital. Last year it earned 60 percent," he noted.

FOREIGN investors also were cheered by the recent easing of restrictions that now allows them to buy a single Brazilian stock directly. Previously, the only way to take a stake in Brazil was to buy shares in another fund that did so exclusively.

The improved scenario has caused bargain-hunting foreign funds (some 36 such vehicles invest in Brazil) to pour an estimated $72.4 million into the São Paulo stock market since January, with $22.5 million coming in May alone. Volume has leaped from around 17 million shares a day in January to 40-50 million shares daily at present. Still, only 10 companies account for nearly 80 percent of trading volume on the Bovespa, a reminder that the exchange is very much an emerging market.

For those who shudder at Brazil's seemingly intractable economic problems, contrarians like to recall the "bad old days" of Mexico, a star performer this year. The Mexico Fund, now trading around $23, found few buyers at $4 a share just three years ago when Mexico was suffocating in government debt and hyperinflation.

Mr. Games noted that Brazil's gross national product is $450 billion, making its stock market capitalization of $36.9 billion "grotesquely underpriced" compared with Mexico, whose stock market is valued at $63 billion, or 25 percent of its GNP of $250 billion.

But unlike Mexico, Brazil not out of the woods economically by any stretch of the imagination. There is deep concern that the release of frozen assets, scheduled to start in September, could rekindle double-digit inflation. Many believe economic reform will not get off the ground unless the much-delayed privatization program starts next fall. Brazil's staggering $100 billion external debt is a well-known issue, at the top of the agenda when President Collor visits President George Bush in Washington next week.

Nevertheless, for those intrepid enough to take the plunge into Brazil, the options are multiplying. Besides the Brazil Fund, the New York-listed Latin America Fund invests partly in Brazil. Several closed-end funds have come to market in Britain that also have holdings in Brazil, including Barings's Puma Fund and the Genesis Condor Fund. Another London-listed vehicle, the Sovereign High Yield Investment Co., has a stake in Brazilian debt, which has appreciated significantly in the past few months.

Long-term, the returns could be handsome indeed, but even the most devoted Brazil fans warn investors to hold on for a bumpy ride.

"We haven't seen it all yet," said Mr. Games, whose fund went from the world's worst performing equity fund in 1990 to the top performer in the closed-end country funds for the first quarter of this year, with a total return of 62.81 percent. "You have to respect the market," he warned. "It could be at $15 billion or $50 billion next month."

BRIEFCASE

Oil Aside, Financial Assets Had Year's Best Showing

The Gulf crisis made oil a top performer, but otherwise financial instruments were the place to be for U.S. investors over the past 12 months, according to Salomon Brothers.

Oil led the firm's ranking with a gain of just over 20 percent in the year ended June 1, thanks to Saddam Hussein, while recession helped bonds come in second with a return of 13.2 percent. Stocks were third at 11.77 percent and three-month Treasury bills followed with a return of 7.13 percent.

In contrast to oil, most tangible assets were duds: Gold and silver actually declined, the latter by a whopping 18.87 percent, while housing was up just 4.7 percent. Only Old Master paintings, with a gain of 6.53 percent, managed to beat inflation.

Salomon predicted financial assets would continue to outperform tangibles this year, with stocks likely to move ahead of bonds as corporate earnings recover. That would fit a pattern: Stocks have consistently done well over long periods, topping the rankings over the past 10 years with an average annual return of just over 16 percent.

U.S. Expatriates in the Gulf Get Boost in Hardship Pay

The Gulf war has forced more American companies to dole out hardship premiums and so-called danger pay to keep their expatriate employees in the Middle East.

A recent survey of about 35 major U.S. companies found that 30 percent of them had increased hardship premiums for expatriates in the Middle East in the past six months, while another 40 percent introduced premiums. Such premiums, designed to compensate for difficult living conditions, averaged 27.5 percent of base pay for employees in Saudi Arabia, 20 percent in Israel, 15 percent in Egypt and Bahrain and 10 percent in the United Arab Emirates, according to Runzheimer International, a Rochester, Wisconsin, consultancy that conducted the survey.

Danger pay — intended to compensate for specific threatening situations — was highest in Israel at 42.5 percent. That compared with 25 percent in Saudi Arabia, 20 percent in Egypt and Bahrain and 12.5 percent in the UAE. Half of the companies surveyed increased danger pay in the past six months and another 10 percent introduced it.

Peace may be starting to have an impact on pay policies, though. Neil B. Krupp, vice president at Runzheimer, said there are indications in recent weeks that some companies are beginning to scale back danger pay.

Mail-Order Buyers In U.S. Get New Credit Card Perks

The latest round in the U.S. credit card wars have produced another perk to consumers who charge mail-order catalogue purchases.

Visa cardholders will receive certificates worth up to 20 percent off certain merchandise ordered from any of 40 catalogues on a list drawn up by the card issuer. The promotion, scheduled to start in September and run through the Christmas shopping season, will include the Bloomingdale's By Mail and Lane Bryant department store catalogues.

Mastercard holders who are also environmentalists may find its "Forest For Our Future" promotion attractive. It promises to plant a tree for each coupon sent in by a mail-order customer.

The promotions were announced as the two bank card groups are moving to sign on more catalogue companies following complaints about fees charged by American Express on customer mail-order purchases. American Express generally charges catalogue companies about 1 percentage point more than Visa or Mastercard.

For more information, U.S. cardholders should contact the banks which issue their Visa or Mastercards.

CBOE Unveils Plan to Offer A Spread on Index Options

The Chicago Board Options Exchange plans to market a prepackaged spread on options of the Standard & Poor's 100 index, known in the trade as the OEX.

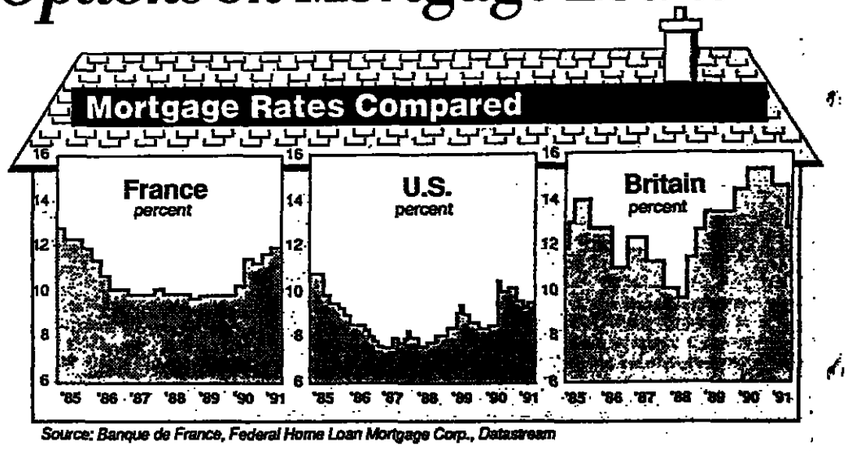
A spread involves buying an option at one strike price and simultaneously selling one at a strike price further out in the direction the investor expects the market to move. The OEX cap, as the vehicle is called, would be a single product that would combine both sides of a spread with strike prices 30 points apart. Each point the index moves is worth $100, so the maximum involved in each contract is $3,000.

The OEX cap, which the CBOE hopes to win approval for in coming months, will solve a timing question for the investor: It gets cashed in automatically when the index reaches the 30-point limit. The most an investor can make is $3,000 a contract, no matter how much the index might move during the contract's four-month trading life. With a traditional option, there is no limit to the potential gain for the purchaser. The OEX cap, therefore, is expected to be less expensive than a traditional option.

If the index is between the two strike prices at expiration, the cap holder will get $100 for each point that the index is in the money. Before expiration the cap will trade on the CBOE as any other security.

Weighing Options on Mortgage Loans

By Katherine Burton



Source: Banque de France, Federal Home Loan Mortgage Corp., Datastream

THE days of double-digit annual increases in home prices appear to be gone in the United States, France and Britain. But even if housing is not ripe for speculation, lower interest rates and an abundant supply of properties on the block are beginning to bring investors back in those markets.

Financing a real estate purchase raises certain issues: Namely, whether to choose a fixed- or adjustable-rate mortgage, and whether to pay it off over a long or short term. These decisions depend on the movement and level of interest rates, inflation, the health of the housing market and the depth of the investor's pockets.

Given relatively low interest rates, buyers currently prefer fixed-rate mortgages, at least in France and the United States.

"Usually when the mortgage rate flirts with 9 percent, consumers want to lock in the fixed rate over the long haul," said Robert Heady, publisher of Bank Rate Monitor, a weekly that currently quotes the average U.S. fixed-rate mortgage at 9.48 percent for 30 years.

While the preference for fixed-rate mortgages tends to be cyclical in the United States — changing with the rise or fall of interest rates — the French historically choose fixed-rate instruments, although variable-rate mortgages are available. "It is the nature of French people," said Pierre Gervasi, deputy general manager of Capital Home Loans in London, a subsidiary of Société Générale and Crédit Foncier. "They are looking for a constant monthly payment with no bad surprises in later years."

But in Britain, variable-rate mortgages make up more than 90 percent of the market, according to the Council of Mortgage Lenders, a trade group. Although fixed-rate mortgages are available, many are only for two to five years, after which consumers can stay with a fixed rate or switch to an adjustable one.

"Fixed rates can be very hard to sell," said Simon Tyler, sales manager at Chase De Vere Home Loans in London. He explained that consumers are shying away from fixed rates, now in the 11 percent range, because they believe rates will fall three or four percentage points by the end of this year.

When choosing the length of the mortgage, borrowers need only consider the amount they can afford to repay each month. Financial managers generally recommend taking the shortest term possible because inflation in most of Europe and the United States is between 3 percent and 6 percent and is expected to stay down. "People are really paying to borrow now, which was not the case several years ago when interest rates were equal to the inflation rate," Mr. Gervasi said.

The savings on shorter-term loans can be significant. In France, where the maximum mortgage term is 20 years and interest rates are between 11 and 12 percent, investors with a 20-year loan would pay 21 percent less each month than with a 15-year loan. But over the life of the loan, they would shell out 37 percent more money.

British investors, who generally take mortgages for 25 years, are penalized the least for spreading out their payments. In all three countries, interest payments are tax deductible, but only in Britain do borrowers repay equal amounts of interest over the life of the loan. In France and the United States, more of the interest is paid in the early years and some deductions become smaller over time.

Although no one expects a quick return to the house price gains of up tro 26 percent a year of the 1980s, experts say that doesn't mean it is a bad time to take on debt, such as with a second mortgage.

"It may not be a good time to invest in real estate but it is a good time to consolidate other debt into real estate related-debt," said Reid Nagle, president of SNL Securities, a U.S. research and publishing firm specializing in the banking industry. "Housing-related debt is the most economic way for consumers to borrow because interest is tax-deductible." The same strategy applies in Britain. Second mortgages are rare in France, though. Banks don't like to grant them and interest rates on personal loans are not that much higher than mortgage rates, said Didier Browne, chief executive at Union de Crédit pour le Batiment, a mortgage lender.

What if an investor misreads the market, choosing a fixed mortgage when rates are falling, or a variable one when they are rising? In the United States, refinancing is common and relatively inexpensive. There is generally no penalty for early repayment of a mortgage and a new mortgage carries a fee of roughly 2 to 3 percent of the capital borrowed. In France and Britain, lenders are less forgiving. Borrowers are generally fined 3 percent of the remaining capital for early repayment, and another 2 to 3 percent for newly borrowed funds. Rates would thus have to move several points before refinancing would make sense.

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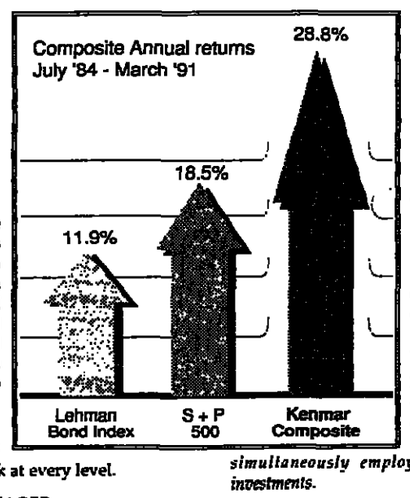

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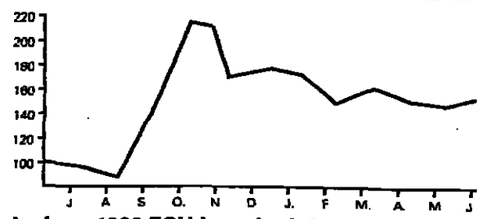

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THE MONEY REPORT

Big Gains and Big Size in Krone Bonds

DENMARK REPORT

By Conrad de Aenlle

TINY Denmark is a giant in bond trading. It has the world's seventh-largest market, worth an estimated 1.16 trillion kroner, or about $170 billion, and has been a strong performer in recent years.

The market is dominated by mortgage-backed instruments, which by some estimates account for two-thirds of the outstanding debt. Until recently, this type of bond served as the benchmark in Danish finance. The rest is government and private debt, and krone-dehominated issues floated by foreign entities, particularly other Nordic countries.

Foreigners hold about 10 percent of the paper, and that level is rising, said Thomas Wittenborg, who runs the fixed-income department in the London office of Den Danske Bank, Denmark's largest. He noted that foreigners bought 9.1 billion kroner of debt in April, a record for a single month.

Most of the foreign action is in the government market. Government bonds come in denominations of 1,000 kroner. They can be bought at branches of Danish banks worldwide and at large brokerages, banking officials said. In contrast, the huge mortgage bond sector is strictly a Danish affair.

Investors have done pretty well in the treasury sector thanks to an austerity program in the mid-1980s that has brought inflation down sharply and reined in government spending.

Those policies have helped the Danish market draw money away from the bond market of the traditional stalwart on the Continent, Germany. The spread in the yield of Danish government bonds to those of its neighbor has shrunk in the last two years from 2 percentage points to three-quarters of a point. Less than five years ago, the spread was 7 points.

The sharp decline in yields has made Danish bonds stellar performers. In the 12 months to the end of May, the total return — interest income plus capital gains or losses — on Danish government bonds was 14.48 percent, compared with 11.15 percent for German bunds and 11.94 percent for U.S. Treasuries, according to figures compiled by Salomon Brothers.

Despite the fall in yields, it could still be argued that Denmark offers the best real returns in Europe, with inflation running at 2.6 percent and government bonds yielding a little over 9 percent.

That high real yield "indicates that rates may have to come down a little bit," said Per Jacobsen, who covers Danish markets at Baring Securities in London.

Mr. Wittenborg remains high on Danish bonds, too, and expects that "nominal rates will come down to match Germany's."

He cited Denmark's low inflation and the surplus it has been running in its current account, and he noted that unification was costing Germany plenty.

"Danes actually send busloads to Germany to do construction work," he said.

But some observers think Danish bonds have no more room to rise without further good fundamental news.

"The Danish krone link to the Deutsche mark remains credible," said John Lipsky, director of international research at Salomon Brothers in London.

But what if the European Community's methodically laid plans are derailed? He said there is a "continued commitment to maintaining currency stability" but added that "the commitment to avoid a realignment has been made in a period of sustained economic growth."

"In the near term there are certainly opportunities in the higher-yielding ERM countries for further advances," he said, speaking of the Community's exchange-rate mechanism. But with signs of weakness in many of the Continent's economies, the markets are "likely to see strains in the ERM over the coming months."

Denmark Regains Its Economic Health

DENMARK REPORT

By Katherine Burton

DENMARK'S economy is continuing a steady recovery that has turned this country from a financial basket case to one of Europe's brighter economic performers in recent years.

Signs of fiscal health abound. The inflation rate is expected to be 2.5 percent this year, among the lowest in the industrialized world, while the surplus on merchandise and services trade is expected to be 51 billion kroner ($7.5 billion). There was a surplus in the balance of payments last year for the first time since 1963.

Growth is modest but accelerating: Gross domestic product is forecast to increase at least 1 percent in 1991 and 2.5 percent in 1992. All these developments led the National Bank to reduce interest rates last month to 9 percent, and further drops are expected before the year end.

"There is a positive attitude because of low inflation and a surplus in the balance of payments," said Douglas Cliggott, economist at Den Danske Bank in Copenhagen. "There is a modest optimism because our GDP is growing in line with the European average." GDP growth for members of the Organization of Economic Cooperation and Development is expected to average 1.1 percent this year and 3 percent in 1992.

All this is a welcome switch from the dismal environment of much of the 1980s. The oil crises of 1973 and 1979 led the government to borrow heavily abroad, driving foreign debt to astronomical levels and pushing inflation into double digits. At its peak in 1988, external debt was 296 billion kroner, or 41 percent of GDP. Unbridled government spending and a low savings rate among consumers only compounded the problem.

To right the balance of payments, the government imposed draconian measures beginning in 1986, including cuts in public spending and tax changes that discouraged consumer debt. Those policies slowed growth to between zero and 1 percent a year and drove unemployment upward, but the measures did succeed in containing foreign debt — now just under 290 billion kroner — and dousing inflation.

The main engine behind growth today is exports, notably agricultural products, machinery and semi-finished goods. Although Sweden and Britain, two of Denmark's major trading partners, have been buying less from abroad of late because of their own economic slowdowns, the demands of a united Germany have more than made up for the sluggishness elsewhere. In 1990, 20 percent of Danish exports went to Germany.

One factor that will surely help ensure strong exports is Denmark's increased competitiveness. While labor costs in the rest of Europe are expected to rise by 7 percent in 1991 and almost 6 percent the following year, Denmark's are seen rising only 3 to 5 percent each year.

Domestic demand is seen rising moderately in the next two years, but this is not expected to erode the balance of payments surplus.

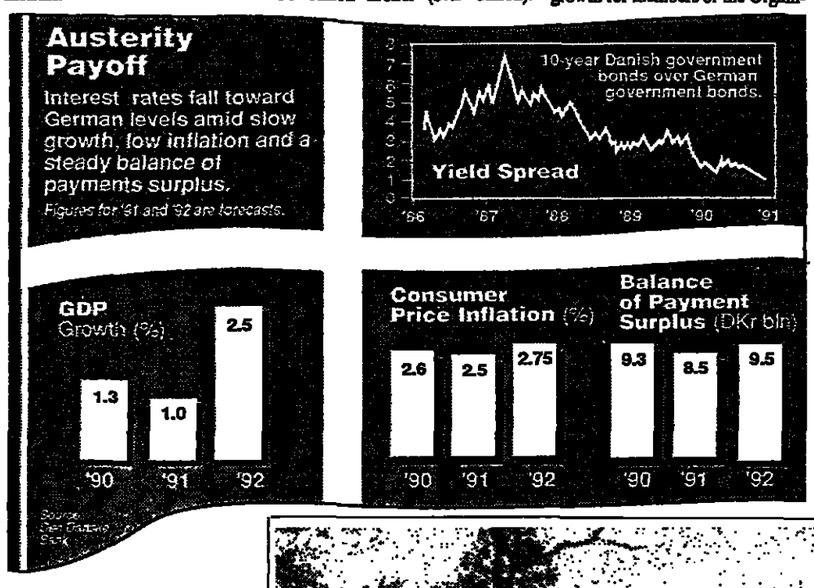
One shadow on the Danish recovery is the high unemployment rate, which is expected to hit 10 percent in 1991 and 9.75 percent in 1992. That is far above the OECD average of 6.3 percent and will need to be reduced for long-term economic health. Some analysts, however, claim Danish statistics are artificially high considering that the labor force as a percentage of the population — 54 percent — is greater than in many other countries because of the large number of working women.

Economists said generous unemployment benefits do little to motivate the less-skilled unemployed to look for a job. Cutting benefits, they said, could shrink the unemployment figures and reduce the government deficit, estimated at 13.5 billion kroner for 1991.

The biggest question mark in Denmark's future is whether its improved economic standing will be enough in the tougher competitive environment of post-1992 Europe.

A borderless Europe, however, could pose trade problems if Denmark doesn't reduce its value-added tax, which at 22 percent is the highest in the Community. If borders controls are abolished, Danish shoppers could cross over into Germany, where VAT is 50 percent less, and erode Denmark's current trade surplus.

The parliament this year has managed to cut duty on beer, wine and perfume, and it is hoped that duties will continue to be brought in line with other EC countries.



A Small and Stable Bourse

DENMARK REPORT

THE Copenhagen Stock Exchange is a small and rather exclusive club. Outsiders are welcome to join in the activities, but there's not much excitement and the terms are in many ways prohibitive.

"The Danish market is a very stable market that doesn't go very far up or very far down. It's not bad; it's sort of average," said John Dworsky, who tracks Nordic stocks for Barclays de Zoete Wedd in London. "The way we look at Denmark is we don't see it as a market from an international point of view. You have a mass of small, locally oriented companies."

Small is a handy adjective for describing the exchange. Total capitalization is about 265 billion kroner, or about $39 billion, divided among some 275 companies. One Danish shipping and oil exploration company, A.P. Moller Group, has nearly one-sixth of the total equity. That is the exception.

"We don't have big industrial companies like Sweden," said Soren Normann, assistant vice president of Danske Securities, the brokerage unit of Den Danske Bank, the country's largest. "That's why you don't see many Danish companies going abroad to raise capital."

And it is one reason why foreigners hold just 5 to 10 percent of the equity of Copenhagen-listed companies, he said. Another reason is the trading volume, which is, pardon the expression, small — about 250 million kroner a day.

A thin market suggests a volatile one, but Copenhagen is not that. What makes it illiquid, paradoxically, helps keep volatility low, Mr. Normann said.

Individuals pay a whopping 56 percent of any gain on assets held less than three years, while institutions get something of a break, being taxed at a 44 percent rate. After three years, any gains are tax free, said Peter Hemme, chairman of the Danish mutual fund industry association. There is also a 1 percent tax on stocks trades.

Most foreigners are taxed according to the rules of their home countries, so the high tax rates have no direct effect on them. When Danes make an investment, though, they're in it for the long haul, and that keeps volatility low. There are few traders jumping in and out of the market trying to make a quick hit, and few shareholders ready to bail out at the first inkling of trouble.

They certainly didn't sell much when the rest of the world's markets were crashing in 1987. From the August high to the October low, the Copenhagen market's principal index fell about 14 percent. The Dow Jones industrial average fell about 36 percent.

During the last five years, the Dow has been slightly the better performer, rising 61 percent, versus 59 percent for Copenhagen. The Danish market has done better than many others, though, exceeding rises of 56 percent in London's Financial Times-Stock Exchange 100 and 55 percent for the Nikkei 225 in Tokyo. Frankfurt's DAX index gained just 23 percent.

One problem with a market that trades as lethargically as Copenhagen's is that companies don't feel compelled to keep the world constantly apprised of their status, as American corporations do.

"Very few Danish companies report on a quarterly basis," said Per Jacobsen at Baring Securities in London. "They just give you a verbal summary that you can't really use for anything."

Foreigners also might shy away from Danish shares because of the two classes of equity at many companies. Class A shares, held by foundations linked to families that started the businesses, have 10 votes a share and B shares have one vote. "You buy capital but you don't buy voting rights," Mr. Normann said.

If foreigners shun Danish stocks, they are nevertheless showing enthusiasm for the fledgling derivatives exchange, accounting for perhaps half the volume in futures, said Tyge Rasmussen, chief executive of the Guarantee Fund for Danish Options and Futures, a clearing body.

Much of the activity is in bond futures, the first derivative product, which began trading three years ago. Denmark has one of the world's largest bond markets, worth more than four times the equity market's capitalization.

Bond options also trade on the derivatives exchange, as do such esoteric products as a warrant on the yield spread between Danish and German government bonds. On the equity side, there are futures and options on the Copenhagen stock index and options on shares of the six largest companies.

Denmark's stock market is small and it has a mutual fund industry to match. There are 81 funds recognized by the Copenhagen Stock Exchange, with total assets of 13.9 billion kroner at the end of April, figures provided by the research firm Micropal show. Buying a piece of one may be the best way for a foreign retail investor to play the market there.

The problem is it may be difficult for a foreigner to find a Danish fund. Most funds have close associations with banks and are sold only through the banks. The big Danish banks do business globally, but they do not actively promote their funds abroad.

"The Danish mutual funds are all very small, and we have no resources to serve customers in other countries," said Jimmie Sorensen, director of Jysk Invest.

Andrew Mathers, a fund manager at Danske Invest, which is associated with Den Danske Bank, said Danish funds have a lot to offer despite their small size. Because the funds' management companies are owned by the shareholders, he said, management fees are very small, about half a percent or a little more. They can run 2 percent or more in other countries.

Whether any foreign investor should want to get into the Danish market is another matter. Given the market's history of tranquil undulations, it's not surprising that analysts expect its performance to be extremely average.

"We have a neutral rating on Denmark," Mr. Jacobsen said.

— CONRAD DE AENLLE

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SPORTS

In Smith, Braves Find Pitching Link

Compiled by Our Staff From Dispatches

What the Atlanta Braves need in their pursuit of Los Angeles is another starter to bring their pitching rotation up to speed with that of the Dodgers. And the Braves may have found just who they need in 25-year-old Pete Smith.

Smith, who had not won a game since last June because of injury problems, came back and beat the New York Mets, 3-2, Thursday night at Shea Stadium.

"There was never any doubt in my mind he would come back," said Bobby Cox, manager of the Braves.

Before Thursday, Smith's last victory was against Los Angeles on June 5, 1990, and he was lost for the season 19 days later with tendinitis in his right shoulder. He underwent arthroscopic surgery Sept. 24.

Smith combined with Juan Berenguer on a four-hitter, and Sid Bream had a decisive two-run homer as the Braves remained 1½ games behind the Dodgers in the National League West.

Bream's homer came in the fourth inning off Wally Whitehurst, followed a walk to David Justice and erased a 2-1 deficit.

Dodgers 3, Pirates 2: Lenny Harris, reaching base as a hit batsman when the umpire, Ed Rapuano, changed his call, scored the winning run on Alfredo Griffin's ninth-inning single as Los Angeles ended its road trip with a 6-3 record.

Stan Javier, whose two-run double tied the game in the sixth, singled to start the ninth. Rapuano ruled that the pitch to Harris struck the bat, then reversed himself. Tomlin threw out Javier at third on Mike Scioscia's bunt, but Griffin singled in the winner.

Reds 3, Expos 2: Pitcher Chris Hammond, helping himself with an RBI single, broke a personal five-game losing streak and Glenn Braggs got the winning hit as Cincinnati won in Montreal.

Cardinals 12, Padres 1: Ozzie Smith tied a career high with four RBIs as St. Louis made the most of errors. Half the runs by the visitors were unearned as the Padres committed four errors in the first five innings, leading to four unearned runs among the seven that Atlee Hammaker allowed in 4⅓ innings.

Fred McGriff committed a throwing error on Smith's RBI grounder in the Cardinals' four-run seventh. It was the Padres' fifth error, a season high.

Cubs 4, Giants 3: Chicago's Andre Dawson caught Mike Kingery's one-out fly to right, then threw out Tony Perezchica at the plate to end the game in Chicago.

Ryne Sandberg's two-run single off Jeff Brantley in the seventh proved decisive.

Phillies 5, Astros 4: Visiting Philadelphia, scoring all its runs without benefit of a hit, took advantage of four Houston errors and two bases-loaded walks.

The Phillies managed only two hits off starter Darryl Kile and three overall, but made the most of four errors, seven walks, a balk and a wild pitch.

Twins 10, Yankees 3: In the American League, in Minneapolis, the Twins tied a team record with their 12th straight victory while Scott Erickson set a club mark with his 10th consecutive triumph.

Chili Davis hit two home runs as Minnesota matched its record of 12 in a row, accomplished in 1980.

Royals 6, Orioles 4: Kirk Gibson became only the 13th player to hit 200 career home runs and steal 200 bases, and he did it with style. His two-run homer in the ninth inning broke a 4-4 tie in Baltimore.

Danny Tartabull hit his third home run in two days and drove in two runs. The Royals scored 26 runs in the series.

Blue Jays 1, Indians 0: Jimmy Key pitched Toronto's second straight two-hitter and the Blue Jays won in Cleveland for the second night in a row by the same score.

Toronto scored in the third when Roberto Alomar singled, Kelly Gruber was hit by a pitch and second baseman Mark Lewis threw wildly trying to complete a double play on Joe Carter's grounder.

Mariners 6, Tigers 5: Alvin Davis hit a two-run homer, capping a three-run rally in the eighth inning, as Seattle won at home. The Mariners overcame home runs by Detroit's Cecil Fielder, Rob Deer and Milt Cuyler.

Rangers 8, White Sox 4: Julio Franco and Ruben Sierra each homered as Texas, playing at home, won its third straight game. The Rangers also took advantage of three errors to score five unearned runs. *(AP, UPI)*

BASEBALL ROUNDUP

Sue Ogrocki/Reuters

Cubs' Ryne Sandberg got to second when the ball got by Greg Litton on a pickoff attempt at first.

Heart Problem For Valenzuela

The Associated Press

ANAHEIM, California — Fernando Valenzuela's comeback has been halted unexpectedly. The California Angels placed the left-hander on the 15-day disabled list after a test revealed abnormal blood flow in the heart area.

The Angels' Tim Mead said Thursday that Valenzuela "needs further tests, which will be done immediately."

Valenzuela's agent, Tony De Marco, said his client "feels very normal. He's going to play golf."

For Justice, Sweet Swing Of Success

By Malcolm Moran
New York Times Service

NEW YORK — The numbers practically scream.

Dave Justice of the Atlanta Braves leads the National League, or is second, or tied for second, in five offensive categories.

He is among the top five hitters in nine departments.

He has taken his rookie-of-the-year credentials and pointed upward. The numbers carry the promise of many large paychecks.

The outlook says something else. "I'm not even close to where I'd like to be," Justice said.

He was batting .313 going into the game Thursday night against the Mets, including .338 with runners in scoring position. Justice is 24 years old, just six years removed from the low-profile status of a fourth-round draft choice.

His sweeping swing, with its graceful extension, is the same as it was when no one paid attention.

At an age when more highly regarded prospects have begun to grow content with their accomplishments, Justice seems to understand that all the numbers do is show where he has been. His destination is another story.

"Right now, I don't really feel I'm that good," Justice said. "I've got so much more to learn. You never know how good you can be."

All Justice knows is he can be better. He can list the ways.

"Consistency of hitting," he said. "Having that high level of concentration. Getting good jumps in the outfield. Making strong, accurate throws. There's a lot of aspects of the game I need to improve on."

SIDELINES

Borg Says He Will Soon Beat Becker

HAMBURG (AP) — Bjorn Borg believes that his game will soon improve so much that he will be able to beat Boris Becker and other top tennis players, according to an interview published Friday.

In an advance release of the interview to appear in next week's issue of the magazine Der Spiegel, Borg said he plans to play 10-15 tournaments a year. Borg, 35, said his game will soon become "as good as it was a decade ago, and then I could also beat Boris Becker."

Becker is the No. 2 in the world. Borg, who retired in 1983 and is attempting to return to the game, was beaten soundly in his first match out, by Spaniard Jordi Arrese.

Holyfield Ready for Tyson Match

LAS VEGAS (AP) — Promoter Dan Duva has the heavyweight champion, a winning purse bid and, now, a site for the fight. All that's standing in the way for Evander Holyfield to defend his title against Mike Tyson is one thing.

Mike Tyson.

Duva, who won a purse bid of $51,101,000 from the International Boxing Federation on Tuesday, said Thursday he has signed a deal with Caesars Palace for the fight to be held in the hotel's outdoor arena sometime in early October or November. But he and Tyson's promoter, Don King, are far apart on how much money Tyson will get paid to challenge Holyfield for the undisputed heavyweight title he once owned.

● Mexico's Daniel Zaragoza, 33, regained his World Boxing Council super-bantamweight title Friday in Tokyo with a split decision over champion Kiyoshi Hatanaka of Japan. *(Reuters)*

Pippen's Deal: 5 Years, $18 Million

CHICAGO (AP) — Scottie Pippen has signed an $18-million, five-year contract extension with the Chicago Bulls, according to a report published Friday.

The deal was signed in Chicago last week after Game 2 of the NBA Finals, the Chicago Tribune reported.

The Bulls had remained well under the NBA annual salary cap, hoping to sign Yugoslavia's Toni Kukoc, and Pippen will receive most of that money, the newspaper said.

● Dwane Casey, a former Kentucky assistant basketball coach implicated in a National Collegiate Athletic Association probe, said Thursday he has signed a three-year contract with a Japanese professional team. Casey will coach the Sekisui Chemical Co. team, based in Osaka. *(AP)*

Chioccioli Retains Giro Lead

BRESCIA, Italy (Combined Dispatches) — Italy's Gianni Bugno won the 185-kilometer (115-mile) 19th stage of the Giro d'Italia cycle race from Castelfranco Veneto to Brescia on Friday.

But with only two days to go, Bugno's compatriot Franco Chioccioli retained the overall lead. *(Reuters, AFP)*

Second City No Longer, Chicago Triumphantly Opens Its Arms as Jordan Wings Back Home Again

By Michael Wilbon
Washington Post Service

CHICAGO — Finally, about 5:30 the morning after, when the sun was rising over Lake Michigan, Chicago tired itself out and went to bed. In the hours after midnight, when early-to-rise Midwesterners usually are fast asleep, Lake Shore Drive looked like rush hour. Assuming there were people here who wanted to sleep, assuming there were a dozen or so people in this obsessed city of 7 million who didn't care about the newly crowned NBA champions, they were at the mercy of one wild party.

Vantage Point

Firecrackers popped, automobile horns blared. Chicago wore sunglasses to work Thursday morning and made it a short day. The expressway leading to O'Hare International Airport stopped dead because thousands of people headed to greet the Bulls. The electronic signs that usually warn drivers about "Icy Roads" or "Long Delays" instead flashed, "Bulls Rule, But You Drive Cool."

Just off the Dan Ryan Expressway, a man supposedly selling Bulls T-shirts was putting them on homeless people for nothing. A lady who had a hard time crossing State Street began crying when her Bulls hat was blown off her head. A motorist climbed out of his car and chased down the hat, prompting another serenade of hornblowing.

Someone tried to explain to Michael Jordan what had transpired here after Game 5, the 108-101 series-clinching victory over the Lakers in the Forum. Wide-eyed, he stammered, "I can only imagine."

Just after the presentation of the Lawrence O'Brien championship trophy, Jordan grabbed it, hugged and kissed it. He wouldn't let go. Now this was something to scratch his seven-year itch. The other Bulls got dressed, not Jordan. When the door to the team bus opened at the Marina Del Rey hotel, there was Jordan still in full uniform, smelling of champagne, holding the trophy.

When the door to the plane opened 16 hours later, you know who was last off: Jordan. He was clinging to the O'Brien trophy, as if it might blow out of his hand like the Bulls hat off the head of the little old lady on State Street.

"I've got a piece of it," Jordan said, "but the city's got it too. It may take another seven years for this to sink in."

There had been so many signs that the Bulls were the NBA's best; Game 5 was only confirmation. The Bulls took control in Game 3 when they won in overtime, reclaiming a home-court advantage they would never need.

REMEMBER Magic vs. Michael. The numbers suggest it wasn't much of a match. Jordan averaged 31.2 points and 10.6 assists to Magic's 18.6 points and 12.4 assists. Jordan shot 55.8 percent, Magic 43.1. Jordan's 14 steals (to Magic's six) are a record for a five-game championship series. Jordan blocked seven shots, Magic none. The only statistical edge that Magic led was rebounding.

There are people suggesting that Magic looked slow, looked tired and even a little old. He had suggested he would think about retiring. He said the words, but anybody who knows him knew he didn't feel them.

"This is my life," he said. "I don't have anything else."

Eventually, no matter what Johnson or any of the other Lakers did, Jordan would have won. For years there has been all this talk about "making his teammates better" and this is where Jordan failed to measure up to Magic and Bird. But this season, Jordan did something just as effective; he demanded his teammates be better.

Magic said he had this dream. (Magic, in case you didn't notice, knows how to embellish a story with the best of them.) He said the series would go to seven games and after several overtimes the NBA commissioner, David Stern, would come down and let Magic and Michael play by themselves to settle the championship.

Perhaps Magic knew more about his own team — and the Bulls — than he really wanted to let on.

BOOKS

WALL TO WALL: From Beijing to Berlin by Rail

By Mary Morris. 259 pages. $19.50. Doubleday, 666 Fifth Ave., New York, N. Y. 10103.

Reviewed by Luree Miller

"MY name is Maruska," says Mary Morris to the waiter on the Trans-Siberian Express. "A Russian!" he replies, overjoyed. "Yes, you have Russian eyes." The cook and her husband agree. And the three of them deal her into the card game they play all the way across Siberia to Moscow.

Mary Morris is a woman who gets involved.

Nearly 20 years ago Morris set out on a journey of self-discovery, recorded in part in her first travel book, "Nothing to Declare: Memoirs of a Woman Traveling Alone." Now, in "Wall to Wall: From Beijing to Berlin by Rail," she still is traveling alone, a keen observer and a fine writer who builds suspense through the inward journey she tells in tandem with her travel account. Slowly the reader realizes that the sudden bouts of weariness and nausea that surprise Morris are signals that she is pregnant. What will this single, 39-year-old woman without a home do about her unplanned pregnancy? How will such a gutsy, determined writer react to conflicting reports regarding the dangers from the nuclear reactor accident at Chernobyl, which is near her ancestral village, her desired destination and object of her trip?

Maruska is her pet name that Morris's Russian-Jewish grandmother used as she told her American granddaughter stories of life in Russia: pogroms; cossacks thundering across the land; burying children in the earth to save them and giving them reeds to breathe through; hiding and flight. Morris, who grew up in Midwestern suburbia, has never known such days of danger or nights of fear.

But neither has she felt a true sense of home, of belonging, of family. Her mother named her Mary so that she would not be recognized as a Jew. But she feels like a lost member searching for her clan. The passion of her search and her sense of Russia as a motherland make this imaginative, evocative book a deeply moving travel account.

From the time a Chinese student volubly intercedes for Morris at the Kafka-like Chinese International Travel Service, where for endless frustrating days she has been trying to obtain the necessary visas for her trip from Beijing across Mongolia and through Russia on the Trans-Siberian Express, Mary Morris is helped by strangers.

People talk to her, and her sketches of them are marvelous. Falling in stride with a bemedaled old man in Leningrad near the end of her journey from the Great Wall to the Berlin Wall, she listens to his tale. He has lived through everything. He remembers how beautiful the czar and czarina were. Yet he is a Bolshevik, an original fighter in the revolution. "You are a hero," says Morris. With a twinkle he replies, "Every Russian is a hero. . . . Remember, I said so."

Morris remembers not only the stories her grandmother told her, but also her companion of three years, from whom she has recently parted, an older man too busy with his successful career to continue the journey with her.

Like indomitable Victorian women who were the first to travel the world without the protection of men, Mary Morris is sensitive to the position of women, her own and those in other cultures. She notes how playful and independent she found women in Tibet — an observation made in the 1920s by the wandering French scholar, Alexandra David-Neel, who attributed their happy state to the Tibetan custom of polyandry.

Throughout "Wall to Wall," Morris does quick sketches of history — as she walks the Great Wall of China, visits the Winter Palace in Leningrad and finally reaches the Berlin Wall. That wall, of course, is gone now. She made her trip in 1986 and it is well to remember that the dramatic events set in motion by *glasnost* and the massacre in Beijing were enacted by peoples whose history she notes and finds revealed in individual lives.

Luree Miller, president of the Society of Woman Geographers and author of "On Top of the World: Five Women Explorers in Tibet," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THE winners of the semifinal match of the Grand National knockout team play at the Gotham Club in New York City were R. Jay Becker, Ira Herman, Glenn Milgrim, Jared Lilienstein, Greg Woods and John Rengstorff, who hope to advance to the national playoffs in July.

The diagramed deal helped turn the tide in favor of the Becker team. Lilienstein and Milgrim, as North-South, bid aggressively to a borderline game in diamonds. North's mysterious three-club bid was a transfer in the partnership style, promising diamond support with invitational values or better.

Notice that five diamonds, which may survive without a 2-2 trump split, is much better than three no-trump, which can fail even when the diamonds lie favorably.

With the trumps divided evenly the contract was easy, and Milgrim found the way to make an overtrick. He won the opening heart lead and immediately led a low spade to his queen. He ducked a spade to East, won the heart return in dummy and drew trumps. Now he was able to ruff a club and ruff a spade, establishing the spade king in the dummy and take care of his heart loser.

The early spade play had produced an unimportant overtrick. But it would have been vital if the trumps had divided 3-1. The game was not reached in the replay, and the Becker team gained 10 imps en route to victory.

NORTH
♠K743
♡AK4
◇J10642
♣8

WEST
♠J1065
♡Q1062
◇Q7
♣K53

EAST
♠A92
♡J87
◇J3
♣QJ1075

SOUTH (D)
♠Q8
♡953
◇AK85
♣A642

Both sides were vulnerable. The bidding:

South	West	North	East
1♡	Pass	1♠	Pass
1 N.T.	Pass	3♠	Pass
3♡	Pass	3♡	Pass
3♠	Pass	4♢	Pass
5♢	Pass	Pass	Pass

West led the heart two.

PEANUTS

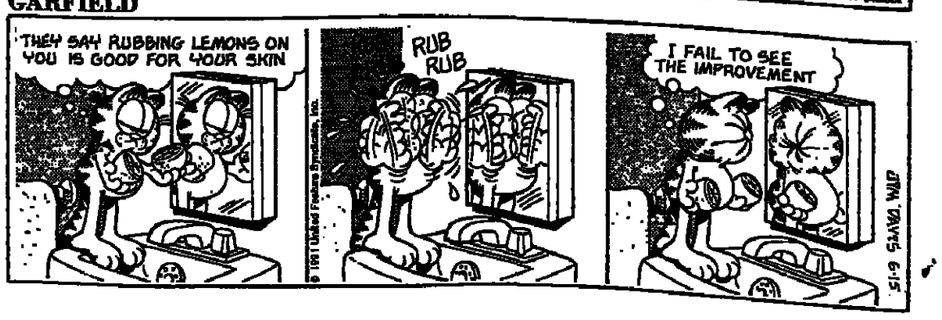
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

WENOM
STYTA
YIVELT
TALFOA

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○○○

(Answers Monday)

Yesterday's Jumbles: ENTRY CAPON JOYOUS RADIUS
Answer: That snob was always arguing for equality—but only with his · · · SUPERIORS

BLONDIE

SPORTS

Gilbert Gets Cup Going By Beating Sánchez

The Associated Press

NEWPORT, Rhode Island — Brad Gilbert defeated Emilio Sánchez, 6-4, 6-4, 6-2, Friday in the opening match of the Davis Cup quarterfinal between the defending champion United States and Spain.

Gilbert, coming off two singles victories when the United States beat Mexico, 3-2, in March, started fast in a serve-and-volley duel on grass. He broke Sánchez's service twice in the first five games, using three passing winners and a fourth that Sánchez couldn't handle.

Sánchez, better on clay than grass, used two offensive lobs in the sixth game to break back.

Gilbert lost only one point on his next two serves to close out the set.

After the pair traded breaks in the second set, Gilbert scored the decisive one for a 5-4 lead after two deuces when Sánchez netted a forehand and Gilbert followed with a backhand pass.

Gilbert broke Sánchez again in the first game of the third set with two passing shots and a forehand winner. Sánchez never caught up.

The winner of the best-of-five quarterfinal will face Germany in September.

■ Chang Is Beaten

Swedes Stefan Edberg and Anders Jarryd and Americans David Wheaton and MaliVai Washington on Friday advanced to the semifinals of the Queen's Club tournament, a grass-court tuneup for Wimbledon, United Press International reported from London.

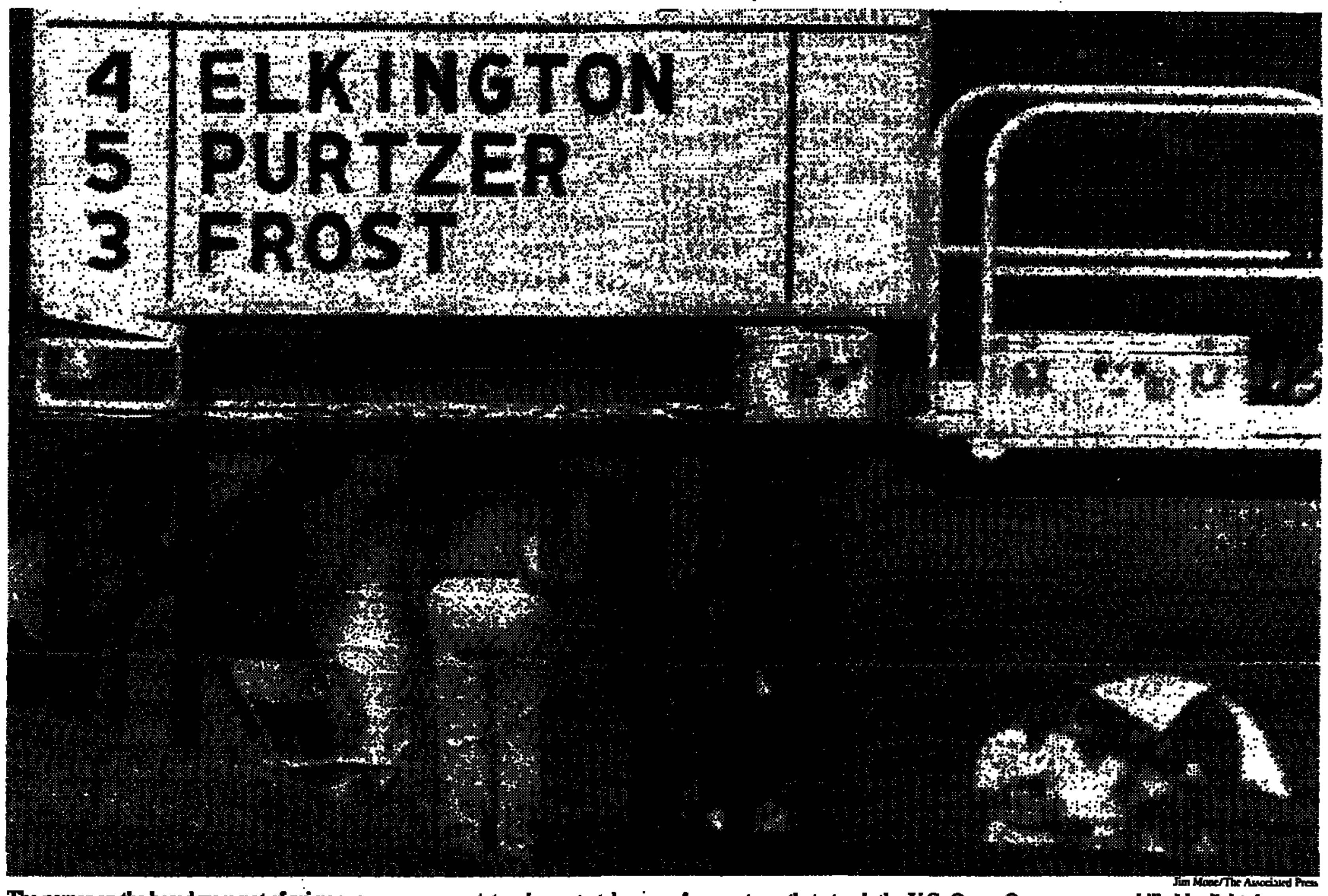
Edberg, top-ranked in the world, ousted Australia's Pat Cash, 6-3, 6-4, from one quarterfinal before the seventh-seeded Jarryd advanced with a 6-2, 6-1 sweep of Canadian Grant Connell. Wheaton, the No. 6 seed, defeated fourth seed Michael Chang, 6-3, 6-3. Washington, an unseeded player, beat Australian John Fitzgerald, 7-5, 6-4.

Davis Cup

WORLD GROUP
Quarterfinals
United States 1, Spain 0
Brad Gilbert, U.S. def. Emilio Sanchez, Spain, 6-4, 6-4, 6-2.

ASIA/OCEANIA ZONE, GROUP TWO
Second Round
Hong Kong 2, Singapore 0
Colin Grant, Hong Kong, def. Liu Wai Yaw, Singapore, 6-0, 6-0, 6-0; Michael Walker, Hong Kong, def. Fredrik Ho Kuen Yiep, Singapore, 6-1, 6-0, 6-1.
Sri Lanka 1, Bangladesh 0
Arjun Fernando, Sri Lanka, def. Sardar Iftekhar, Bangladesh, 6-0, 6-1, 6-1;
Malaysia 1, Taiwan 1
Lien Yu Hui, Taiwan, def. Veeraswah Selvam, Malaysia, 5-7, 6-3, 6-4, 6-1; Adam Malik, Malaysia, def. Liu Chung Haing, Taiwan, 6-3, 6-4, 6-2.

AFRICAN ZONE, GROUP TWO
Second Round
Egypt 2, Ghana 0
Tamer al-Sawi, Egypt, def. Mike Amoah, Ghana, 6-1, 6-0, 6-2; Hossam al-Arousi, Egypt, def. Frank Ofori, Ghana, 6-7 (5-7), 7-6 (7-5), 2-0 (retired due to injury)



Jim Mone/The Associated Press

The names on the board were not of primary concern as spectators began to take cover from a storm that struck the U.S. Open. One person was killed by lightning.

For Golf, Questions Linger as the Storm Passes By

By Thomas Boswell
Washington Post Service

CHASKA, Minnesota — The lightning began to strike in the distance. Everybody had decisions to make, as golfers and golf fans always do when thunderstorms arrive.

Two reporters standing by the 16th green at the U.S. Open said, "We're going in right now." Knowing nothing about Minnesota weather and lacking the good sense God gave a cow, I stayed and walked a few yards to the 11th tee.

The lightning got worse, striking several times per minute and in all directions. Dark clouds began to move in from the south. No sirens, to stop play, could be heard, but golfers were already halting play on their own. Thousands of fans had a decision to make. Hurry to the clubhouse to beat the rain? Stay put and get wet? Wait out the storm under a tree?

Corey Pavin, the PGA Tour's top money winner, was coming up the 16th fairway. Maybe that's why so many fans stayed under those trees between the 16th and 11th holes. I hurried for the clubhouse, a half-mile away.

Six people, who must have been a few feet from me, decided to stay near that 11th tee and lean against a willow.

They were hit by lightning minutes later. One man died. Another is in serious condition. Four are in serious but stable condition.

"They fell like bowling pins. I saw them bounce," said contractor Greg Groom, still standing under the scarred, split, bark-stripped tree an hour later. "I was over there under that pine. You could smell it in the air ... smoky ... and feel the crackling, like static electricity. Two of them were real bad, lying across each other. One of them I don't think is going to make it. They tried to revive him for at least 10 minutes and couldn't."

"It was raining and I think they were all leaning on the tree," said Don Lindey of Springfield, Minnesota. "Then they were down, lined up all around it on the ground like spokes" of a wheel.

"Why," Don Carlon of Rochester, Minnesota, wanted to know, "did it hit a little willow tree with all these bigger trees around here?"

A better question is why the majority of a crowd of 40,000 had no idea what to do in a lightning storm. As the sky erupted, thousands of people stayed on metal bleachers. For every person heading to the clubhouse or parking lot by way

COMMENTARY

of open ground, there were many more standing casually under trees. The lightning had its pick. There was hardly a tree on Hazeltine's 7,149-yard course where lightning would not have hit somebody.

As I walked past one fan under a tree, he said to the man with him, "I know it's not the place to be, but the odds are 1 in 40,000."

Or six in 40,000. Or 100 in 40,000 if you're in the wrong grandstand.

"I worry about this every time we have lightning," said three-time U.S. Open champion Hale Irwin. "I'm surprised we haven't had more. Those metal grandstands are very, very scary. I guess people think, 'It's not going to happen to me.'"

Glenn Engstrom was standing next to William Fadell, 27, the man who died. According to Engstrom, the last thing the victim said was to make a joke about Minnesota's weather. "All of a sudden, 'Bang,' my legs were totally numb," said Engstrom from a hospital bed. He is expected to make a complete recovery.

"We have not come up with a solution as to what you do with a large number of people on a golf course and get them to some place that is absolutely safe," said Kent Molde, head of Hazeltine medical services. "There are still a lot of people in the grandstands and it is not a safe place to be."

In a lightning storm, people are ultimately responsible for themselves. It's hard to believe that many adults don't know they should seek low ground and stay away from trees in a thunderstorm.

Still, I'm bothered that I did not hear USGA sirens Thursday. For at least 10 minutes, as I hustled a thousand yards with lightning cracking every few seconds, I listened for them. But, until I got to the 18th hole, I heard nothing. Either they weren't blowing, or they weren't blowing loud enough or often enough or on all parts of the course.

The USGA has no legal responsibility in this area. It did provide a "weather warning" on the pairing sheets for Thursday's round, advising fans to avoid isolated trees and high places, and marshals did walk the fairways advising people to take shelter. But shouldn't the USGA make it clear, with howling sirens, when the time for golf is over and the time for safety has begun?

U.S. Open courses have marshals with phones and walkie-talkies everywhere. Within seconds, officials on every hole could know that play has been halted. How much do 18 loud sirens cost?

It probably wouldn't have made a difference. People tend to stand under trees in the rain.

Only one pro golfer has died while playing in an event in the United States — Robert Grant in the 1983 Senior U.S. Open had a heart attack on the second hole here at Hazeltine. Now a fan has been killed by lightning for the first time in the history of U.S. pro golf — also here at Hazeltine.

It's doubtful that the pasture-like fairways of Hazeltine will be entirely cheerful the rest of the 91st U.S. Open. This does not feel like a lucky place.

Tragedy Strikes U.S. Open, but Play Goes On

By Ken Denlinger
Washington Post Service

CHASKA, Minnesota — Golf was not uppermost in most minds after the first round of the 91st U.S. Open. An exhausted player, Billy Andrade, offered proper perspective on a day in which a spectator died when lightning struck a tree under which he'd taken refuge at Hazeltine National.

"If all you've got to complain about is being tired after golf," said Andrade, "that's unbelievable."

There were co-leaders, Nolan Henke and Payne Stewart, at 5-under-par 67 when darkness caused the second — and final — suspension. The last threesome had seven holes to play.

Play was stopped for 2 hours 41 minutes by a sudden storm. One of several bolts of lightning struck a tree near the 11th tee and led to the death of William Fadell, 27. Five others were injured and hospitalized, the most serious being John Joseph Hannahan, 43, whose condition was listed as "serious but stable."

Two of those near the top of the leader board, Henke and Scott Hoch, had a partial view of the tragedy from a van near the second green.

"We were about 120 yards (110 meters) away," said Hoch, who shot a 69. "I saw the bolt hit the tree. Right after that, another one hit just to the left. It was scary. Unfortunately, we have places to go, but most of the gallery doesn't."

"I feel for all those people," said Henke. "I've got a few friends who've been hurt that way." He was referring to former pros Bobby Nichols and Jerry Heard, who along with Lee Trevino were struck by lightning during the 1975 Western Open.

Co-leader Stewart said those starting late Thursday had the advantage. The wind calmed and the greens were softened by the rain. Of those whose rounds were completed, Tom Byrum was alone at 68 and four-time champion Jack Nicklaus was among those at 70.

Henke began his round in spectacular fashion, holing a 6-iron from about 177 yards on the first hole for an eagle-2.

"Next thing I knew," he said of watching his ball in flight," it disappeared."

Shortly after that, play was halted. Because of concern that another storm might blow in, resumption was delayed. Henke proceeded to birdie holes 3, 4, and 7 before his tee shot on the par-3 eighth plopped into the water and he made bogey. Henke sank a 35-footer (10.7 meters) for birdie on the 10th hole and saved par twice later on the back nine.

As darkness halted play, the scoreboard was dotted with excellence and embarrassment. There was a hole in one by John Inman. There also was a front-nine 43 by Greg Norman and a pair of back-nine eights by Andrade, who entered this Open as the hottest golfer in the world.

Andrade's round of 76 was the most strange, for it included a triple-bogey, a quadruple-bogey and an astonishing seven birdies.

"It's not the end of the world," said Andrade. It was the end of a remarkable two-week stretch in which he won twice and was 43 under par for his last 181 holes.

Injuries on Stairs

The Associated Press

CHASKA, Minnesota — Overcrowding caused temporary stairs to separate from bleachers at the U.S. Open on Friday, and several spectators fell off, an official said.

Injuries appeared to be minor, but two persons were taken to the hospital.

In all, officials said, about 10 persons were hurt.

On the course, Payne Stewart had a two-stroke lead over Nolan Henke through 10 holes of the second round. Stewart was at 7 under par.

Also, Greg Norman of Australia withdrew, citing hip pain.

Leading First-Round Scores at the U.S. Open

Scores Thursday after the suspended first round of the 91st championship, played on the 7,149-yard, par-72 Hazeltine National Golf Club course:

Nolan Henke	32-35—67	-5
Payne Stewart	33-34—67	-5
Tom Byrum	35-33—68	-4
Scott Hoch	36-33—69	-3
Mark Calcavecchia	35-34—69	-3
Brian Kamm	34-35—69	-3
David Jackson	34-36—70	-2
Jack Nicklaus	37-33—70	-2
Fred Couples	36-34—70	-2
Keith Clearwater	37-33—70	-2
Jim Gallagher, Jr.	35-35—70	-2
Craig Parry	34-36—70	-2
Davis Love III	37-33—70	-2
Scott Simpson	35-35—70	-2
Fulton Allem	35-36—71	-1
Hale Irwin	35-36—71	-1
Jodie Mudd	36-35—71	-1
Corey Pavin	35-36—71	-1
Michael Harwood	36-35—71	-1
Andy North	36-35—71	-1
Tom Kite	33-38—71	-1
Craig Stadler	35-36—71	-1
Seve Ballesteros	38-34—72	E
Blaine McCallister	36-36—72	E
Sandy Lyle	36-36—72	E
Chris Perry	33-39—72	E
Bob Estes	36-36—72	E
John Adams	37-35—72	E
Paul Azinger	35-37—72	E
Steve Pate	35-37—72	E

IOC Officials Support The Ban on Reynolds

Compiled by Our Staff From Dispatches

BIRMINGHAM, England — Olympic medical officials gave their full support on Friday for a two-year ban on American Butch Reynolds, the 400-meter world record holder who failed a drug test.

Prince Alexandre de Merode, who heads the International Olympic Committee's medical commission, said his group "totally supported" the ban on Reynolds by the International Amateur Athletics Federation.

Instead of lodging an appeal against the ban with his national body, The Athletics Congress, Reynolds pursued his right under U.S. law to go to arbitration — claiming his sample had been switched with someone else's. An arbitrator ruled in Reynolds's favor and he ran in the U.S. athletics championships qualifying Thursday in New York, although he finished seventh.

"We don't see how there can be any doubt," de Merode told an IOC meeting here. "The analyses were carried out by a laboratory accredited by us and in whom we have complete confidence. The Americans bear a very heavy responsibility in re-qualifying Reynolds. There are bound to be troublesome consequences."

The laboratory that conducted the tests is near Paris.

"It is not an affair which concerns us directly, but we totally support the IAAF," de Merode said.

The director of The Athletics Congress said he would be surprised if the IAAF takes action against TAC. Ollan Cassell indicated TAC had no choice but to follow U.S. law and let Reynolds run.

(AFP, NYT)

■ Big Marketing Deal

The U.S. Olympic Committee and organizers of the 1996 Atlanta Olympics completed six months of negotiations Friday by signing a joint marketing agreement that could be worth up to $700 million, The Associated Press reported from Birmingham, England.

The contract divides the money to be generated by the sale of corporate sponsorships and licensed merchandise connected with the Summer Games in Atlanta.

Billy Payne, president of the Atlanta Committee for the Olympic Games, said the package will be worth about $600 million to $700 million. That does not include lucrative television rights fees.

"This is the first time a real partnership has been formed and there is one marketing entity," said Robert Helmick, the USOC president.

● The sale of television rights for next year's Barcelona Olympics and the Winter Games in Albertville, France, will generate more than $925 million, the IOC announced Thursday. The IOC said the Olympic marketing program for Barcelona and Albertville would bring in another $175 million. *(Reuters)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	33	27	.550	—
Boston	30	27	.526	1½
Detroit	28	31	.475	4½
New York	25	30	.455	5½
Milwaukee	25	32	.439	6½
Cleveland	22	35	.386	9½
Baltimore	20	37	.351	11½
West Division				
Oakland	36	23	.610	—
Minnesota	35	25	.583	1½
California	33	25	.569	2½
Seattle	32	27	.542	4
Texas	29	25	.537	4½
Chicago	28	29	.491	7
Kansas City	27	30	.474	8

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	36	20	.643	—
St. Louis	31	27	.534	6
New York	30	27	.526	6½
Chicago	30	29	.508	7½
Philadelphia	26	33	.441	11½
Montreal	25	34	.424	12½
West Division				
Los Angeles	34	24	.586	—
Atlanta	31	25	.554	2
Cincinnati	30	28	.517	4
San Diego	31	30	.508	4½
Houston	23	36	.390	11½
San Francisco	23	37	.383	12

Thursday's Line Scores

AMERICAN LEAGUE

Toronto 001 000 000—1 7 0
Cleveland 000 000 000—0 2 3
Key and Myers; Nagy and Skinner. W—Key, 10-2. L—Nagy, 2-7.

New York 000 011 010—3 12 0
Minnesota 401 200 12x—10 13 0
M.Witt, Cary (1), Plunk (7), Cadaret (8) and Nokes; Erickson, Leach (8) and Webster. W—Erickson, 10-2. L—Witt, 0-1. HRs—New York, Maas (10). Minnesota, C.Davis 2 (14).

Kansas City 021 100 002—6 12 0
Baltimore 000 400 000—4 9 1
Appier, M.Davis (8), Montgomery (9) and Macfarlane; Smith, Frohwirth (5), Kilgus (9), Olson (9) and Melvin. W—M.Davis, 3-1. L—Kilgus, 0-2. Sv—Montgomery (13). HRs—Kansas City, Gibson (8), Tartabull (9).

Chicago 000 210 001—4 10 3
Texas 024 200 00x—8 10 1
Hibbard, Patterson (4), Pall (7), Radinsky (8) and Fisk. Wakamatsu (7); Alexander, Rogers (6) and Stanley. W—Alexander, 4-1. L—Hibbard, 4-5. Sv—Rogers (1). HRs—Chicago, Grebeck (2). Texas, Sierra (9), Franco (6).

Detroit 310 000 100—5 4 0
Seattle 200 001 03x—6 9 0
Terrell, Gibson (7) and Tettleton; DeLucia, Swan (7), Swift (7), M.Jackson (9) and Bradley, Valle (9). W—Swift, 1-1. L—Gibson, 2-3. Sv—M.Jackson (9). HRs—Detroit, Fielder (13), Deer (13), Cuyler (3). Seattle, A.Davis (6).

NATIONAL LEAGUE

San Francisco 002 001 000—3 11 1
Chicago 000 200 20x—4 7 1
T.Wilson, Brantley (7) and Decker; Scanlan, Bielecki (6), Slocumb (8), Assenmacher (9) and Villanueva, Wilkins (8). W—Bielecki, 8-4. L—T.Wilson, 2-5. Sv—Assenmacher (5). HR—Chicago, G.Bell (12), Dawson (11).

Philadelphia 203 000 000—5 3 3
Houston 110 200 000—4 11 4
DeJesus, M.Williams (8) and Fletcher; Kile, Corsi (5), Schilling (7) and Biggio. W—DeJesus, 3-2. L—Kile, 0-1. Sv—M.Williams (11).

Los Angeles 000 002 001—3 7 1
Pittsburgh 010 010 000—2 6 0
Belcher, Candelaria (7), Gott (8), J.Howell (9) and Scioscia; Tomlin and LaValliere and Slaught (9). W—Gott, 1-1. L—Tomlin, 3-3. Sv—J.Howell (11).

St. Louis 201 140 400—12 12 0
San Diego 010 000 000—1 7 5
Tewksbury, Sherrill (8), L.Smith (9) and Pagnozzi; Hammaker, Rodriguez (5), Costello (6), M.Maddux (8), Lefferts (9) and Santiago, Lampkin (9). W—Tewksbury, 5-2. L—Hammaker, 0-1.

Atlanta 001 200 000—3 6 0
New York 200 000 000—2 4 0
P.Smith, Berenguer (7) and Olson; Whitehurst, Innis (8), Sauveur (9), Valera (9) and Cerone. W—P.Smith, 1-0. L—Whitehurst, 3-3. Sv—Berenguer (8). HR—Atlanta, Bream (8).

Cincinnati 100 100 100—3 9 0
Montreal 000 200 000—2 5 1
Hammond, Myers (7), Dibble (8) and Oliver; Barnes, Fassero (7), Piatt (9), Ruskin (9) and Fitzgerald. W—Hammond, 4-5. L—Barnes, 0-3. Sv—Dibble (16). HR—Montreal, Fitzgerald (1).

Major League Leaders

AMERICAN LEAGUE

	G	AB	R	H	Pct.
C.Ripken, Blt	57	224	34	79	.353
Molitor, Mil	54	234	45	81	.346
E.Martinez, Sea	56	190	35	65	.342
Baines, Oak	51	176	32	58	.330
Sierra, Tex	54	226	41	74	.327
D.Henderson, Oak	57	217	45	71	.327
Joyner, Cal	55	214	33	69	.322
Puckett, Min	58	234	34	75	.321
M.Lewis, Cle	43	170	19	53	.312
Palmeiro, Tex	54	226	41	70	.310
Eisenreich, KC	49	171	17	53	.310

RUNS—D.Henderson, Oakland, 45; Molitor, Milwaukee, 45; Palmeiro, Texas, 41; Sierra, Texas, 41; Canseco, Oakland, 41; Reynolds, Seattle, 40; Polonia, California, 38; White, Toronto, 38

RBI—Fielder, Detroit, 48; D.Henderson, Oakland, 45; Sierra, Texas, 43; Baines, Oakland, 43; Thomas, Chicago, 42; Winfield, California, 42; C.Davis, Minnesota, 39; C.Ripken, Baltimore, 39; Yount, Milwaukee, 39.

HITS—Molitor, Milwaukee, 81; C.Ripken, Baltimore, 79; Puckett, Minnesota, 75; Sierra, Texas, 74; Reynolds, Seattle, 73; D.Henderson, Oakland, 71; Palmeiro, Texas, 70.

DOUBLES—R.Alomar, Toronto, 17; Palmeiro, Texas, 17; Reynolds, Seattle, 16; Boggs, Boston, 16; White, Toronto, 15; Carter, Toronto, 15; C.Davis, Minnesota, 15.

TRIPLES—Molitor, Milwaukee, 6; Polonia, California, 5; Raines, Chicago, 5.

HOME RUNS—D.Henderson, Oakland, 15; C.Davis, Minnesota, 14; Fielder, Detroit, 13; Deer, Detroit, 13; Je.Barfield, New York, 13; C.Ripken, Baltimore, 12; Winfield, California, 12.

STOLEN BASES—Polonia, California, 22; R.Henderson, Oakland, 21; Raines, Chicago, 20; R.Alomar, Toronto, 18; Cuyler, Detroit, 13; White, Toronto, 13; R.Kelly, New York, 12; Cotto, Seattle, 12; Pettis, Texas, 12.

PITCHING (5 Decisions)—Erickson, Minnesota, 10-2, .833, 1.60; Finley, California, 10-2, .833, 3.12; Key, Toronto, 10-2, .833, 2.36; Alexander, Texas, 4-1, .800, 1.66.

STRIKEOUTS—Clemens, Boston, 88; Ryan, Texas, 86; Finley, California, 83; R.Johnson, Seattle, 76; Candiotti, Cleveland, 76; Swindell, Cleveland, 75; McDowell, Chicago, 74.

SAVES—Eckersley, Oakland, 18; Aguilera, Minnesota, 17; Reardon, Boston, 16; Harvey, California, 15.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
T.Gwynn, SD	61	244	37	89	.365
Samuel, LA	56	219	35	73	.333
Jose, StL	54	199	31	66	.332
Biggio, Hou	54	201	27	65	.323
McGee, SF	54	209	38	67	.321
Justice, Atl	55	211	39	66	.313
O.Smith, StL	55	201	37	63	.313
Pendleton, Atl	49	161	31	50	.311
Bonilla, Pit	56	206	35	63	.306
Calderon, Mon	56	215	35	64	.298

RUNS—T.Fernandez, San Diego, 44; Butler, Los Angeles, 40; Justice, Atlanta, 39; Coleman, New York, 39; DeShields, Montreal, 38; McGriff, San Diego, 38; T.Gwynn, San Diego, 37; Sandberg, Chicago, 37; O.Smith, St. Louis, 37.

RBI—Justice, Atlanta, 48; W.Clark, San Francisco, 43; McGriff, San Diego, 42; O'Neill, Cincinnati, 41; T.Gwynn, San Diego, 41; Kruk, Philadelphia, 39; Johnson, New York, 39.

HITS—T.Gwynn, San Diego, 89; Samuel, Los Angeles, 73; T.Fernandez, San Diego, 67; McGee, San Francisco, 67; Justice, Atlanta, 66; Jose, St. Louis, 66; Sandberg, Chicago, 66.

DOUBLES—Jose, St. Louis, 18; Bonilla, Pittsburgh, 17; Justice, Atlanta, 16; O'Neill, Cincinnati, 15; McReynolds, New York, 15; T.Gwynn, San Diego, 15; L.Gonzalez, Houston, 14; McGee, San Francisco, 14.

TRIPLES—T.Gwynn, San Diego, 8; Felder, San Francisco, 6; L.Gonzalez, Houston, 5; Coleman, New York, 5.

HOME RUNS—McGriff, San Diego, 14; O'Neill, Cincinnati, 13; Johnson, New York, 13; G.Bell, Chicago, 12; Gant, Atlanta, 11; W.Clark, San Francisco, 11; Dawson, Chicago, 11.

STOLEN BASES—Coleman, New York, 33; Grissom, Montreal, 30; DeShields, Montreal, 26; Nixon, Atlanta, 26; O.Smith, St. Louis, 17; Lankford, St. Louis, 16; Calderon, Montreal, 16.

PITCHING (5 Decisions)—Greene, Philadelphia, 5-0, 1.000, 2.13; R.Martinez, Los Angeles, 10-2, .833, 2.65; Glavine, Atlanta, 10-2, .833, 2.35; Smiley, Pittsburgh, 8-2, .800, 3.34.

STRIKEOUTS—Cone, New York, 82; Gooden, New York, 78; Glavine, Atlanta, 71; G.Maddux, Chicago, 68; Rijo, Cincinnati, 68; Benes, San Diego, 64; Harnisch, Houston, 62.

SAVES—Dibble, Cincinnati, 16; Da.Smith, Chicago, 15; Le.Smith, St. Louis, 14; Franco, New York, 13; Lefferts, San Diego, 13.

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	28	21	1	.571	—
Yakult	29	22	1	.569	—
Hiroshima	26	21	1	.553	1
Yomiuri	28	25	0	.528	2
Taiyo	25	26	1	.490	4
Hanshin	15	36	0	.294	14

Friday's Results
Hanshin 13, Chunichi 4
Yakult 6, Taiyo 1

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	32	17	2	.653	—
Kintetsu	28	22	0	.560	4½
Nippon Ham	26	24	1	.520	6½
Daiei	23	22	0	.580	7½
Orix	21	30	1	.412	12
Lotte	19	33	0	.365	14½

Friday's Results
Kintetsu 4, Seibu 3
Nippon ham 5, Lotte 2
Daiei 5, Orix 2

TENNIS

QUEEN'S CLUB TOURNAMENT
Quarterfinals
Stefan Edberg (1), Sweden, def. Pat Cash, Australia, 6-3, 6-4; Anders Jarryd (7), Sweden, def. Grant Connell, Canada, 6-2, 6-1; Malivai Washington, U.S., def. John Fitzgerald, Australia, 7-5, 6-4; David Wheaton (6), U.S., def. Michael Chang (4), U.S., 6-3, 6-3.

EDGBASTON TOURNAMENT
Quarterfinals
Brenda Schultz, Netherlands, def. Catherine Suire, France, 6-3, 6-2; Natalia Zvereva (4), Soviet Union, def. Manon Bollegraf (8), Netherlands, 6-4, 6-7 (5-7), 6-2; Martina Navratilova (1), U.S., def. Lori McNeil (5), U.S., 6-3, 6-2; Zina Garrison (2), U.S., def. Mariaan De Swardt, South Africa, 6-3, 6-4.

CYCLING

Giro d'Italia

Top finishers in Friday's 19th stage, a 185-kilometer race from Castelfranco Veneto to Brescia: 1. Gianni Bugno, Italy, five hours, 32 minutes, 25 seconds; 2. Claudio Chiappucci, Italy, same time; 3. Massimo Ghirotto, Italy, s.t.; 4. Gianluca Bortolami, Italy, s.t.; 5. Fabio Bordonali, Italy, s.t.; 6. Acacio Da Silva, Portugal, s.t.; 7. Marek Szerszynski, Poland, s.t.; 8. Vladimir Poulnikov, Soviet Union, s.t.; 9. Marino Lejarreta, Spain, s.t.; 10. Stephen Hodge, Australia, s.t.

Overall leaders: 1. Franco Chioccioli, 94 hours, 1 minute, 38 seconds; 2. Chiappucci, 2 minutes, 46 seconds behind; 3. Massimiliano Lelli, Italy, 3 minutes, 38 seconds behind; 4. Eric Boyer, France, 6 minutes, 28 seconds behind; 5. Bugno, 6 minutes, 57 seconds behind; 6. Leonardo Sierra, Venezuela, 7 minutes, 57 seconds behind; 7. Marino Lejarreta, Spain, 8 minutes, 14 seconds behind; 8. Marco Giovannetti, Italy, 11 minutes, 1 second behind; 9. Zenon Jaskula, Poland, 14 minutes, 6 seconds behind; 10. Nelson Rodriguez, Colombia, 17 minutes, 45 seconds behind.

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Signed James Audley, Curtis Goodwin, Glenn Tatro and Basilio Ortiz, outfielders; David Forney and Scot Conner, pitchers; Troy Tallman, catcher; and Jeremy Wingett, first baseman.

BOSTON—Recalled Jeff Plympton, pitcher, from Pawtucket, International League.

CALIFORNIA—Put Fernando Valenzuela, pitcher, on 15-day disabled list.

CLEVELAND—Recalled Jeff Shaw, pitcher, from Colorado Springs, Pacific Coast League. Sent Efrain Valdez, pitcher, to Colorado Springs.

KANSAS CITY—Signed Jeffrey Leonard, outfielder, to a minor-league contract with Omaha, American Association.

MINNESOTA—Signed Scott Stahoviak, third baseman, and Mike Durant, catcher. Assigned Stahoviak to Visalia, California League and Durant to Kenosha, Midwest League.

SEATTLE—Put Scott Bankhead, pitcher, and Tracy Jones, outfielder, on 15-day disabled list. Purchased contract of Calvin Jones, pitcher, and Dave Cochrane, infielder, from Calgary, Pacific Coast League. Designated Dave Richards, pitcher, and Alan Cockrell, outfielder, for assignment.

TEXAS—Signed Mark O'Brien and Bret Gerbert, pitchers.

TORONTO—Signed Trevor Mallory and Dennis Gray, pitchers; Alexander Gonzales, shortstop; and Brent Lutz, catcher.

National League

L.A. DODGERS—Assigned contract of Barry Lyons, catcher, to Albuquerque, Pacific Coast League. Lyons rejected the assignment and became a free agent.

N.Y. METS—Signed Jason Jacome, pitcher, and assigned him to Kingsport, Appalachian League.

SAN FRANCISCO—Put Scott Garrelts, pitcher, on 15-day disabled list retroactive to June 11. Called up Mike Remlinger, pitcher, from Phoenix, Pacific Coast League.

SOCCER

SPANISH KING'S CUP
Quarterfinal, First Leg
Atletico Madrid 2, Valladolid 0
FOUR-NATION TOURNAMENT
Soviet Union 3, Sweden 2

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DAVE BARRY

The Latest Horror Film

MIAMI — As we approach the 1992 presidential campaign, the major concern of American voters can be summarized in one simple word, and that word is: "exploding urinal."

At least the voters SHOULD be concerned about this issue, judging from a terrifying article in the student newspaper of the University of Texas at El Paso, which begins as follows:

"A urinal at the new *UT El Paso* geology building exploded Thursday, causing serious damage to a worker."

The victim, who is recovering, gave the following account of the accident: "I don't know what the hell happened. I flushed the urinal, and it exploded."

Next to the article is a photo of the urinal, which has a large jagged hole in the middle. This is a scary photo. The urinal almost seems to be GRINNING. It could be the star of a low-budget horror movie called "Laughing Demon Urinal From Hell," stalking victim after victim in a college fraternity house:

FIRST STUDENT: Where's Thad?

SECOND STUDENT: He just went . . .

NOISE FROM OFF-CAMERA: BOOM!

THAD'S VOICE: Aieeee!

EERIE PORCELAIN VOICE: Hahahahaha.

STUDENTS: It's the Laughing Demon Urinal!

According to the article, the authorities aren't sure what caused the explosion. Until we get some answers, I'm recommending that guys in public restrooms take the sensible precaution of shouting "LOOK OUT!!" and diving to the floor whenever they flush.

Ultimately, however, the federal government will probably have to step in and take action. As a formally declared candidate for president, I want to state that, if I am elected, urinal safety will be my No. 1 priority.

It deeply saddens me that none *of the other declared candidates* has had the courage to speak out on this issue. Perhaps this is because there ARE no other declared candidates, unless you count a person named "Paul E. Tsongas," whose name can be rearranged to spell "Gaseous Plant."

So we are forced to conclude that I'm the front-runner, especially after the reception I got when I made my campaign trip to Iowa back in April. I am not making this trip up. While in Iowa, I demonstrated my concern for agriculture by observing some roadside pigs out the car window and making concerned remarks, such as: "Look! Pigs!" And: "How come that pig is so hairy?"

"Because it's a dog," replied Ted Habte-Gabr, my Iowa campaign manager. Ted lined up my main campaign appearance, which was at his school, the University of Iowa, which is in Iowa City (motto: "It's Not Near Anything").

I definitely felt a groundswell of support for my candidacy. This occurred at a bar called Fitzpatrick's, where they brew their own beer. If you drank several of these beers, I bet you'd feel the ground swell in support of YOUR candidacy too.

□

SPECIAL MESSAGE CONCERNING "THE CHARACTER ISSUE": I was accompanied to Iowa by — *this is still* true — a reporter from USA Today (motto: "If You Didn't Read It in USA Today, It Probably Contained More Than 50 Words"). He wrote a story stating that, while at Fitzpatrick's, I consumed four beers and promised to appoint every student in the bar to the U.S. Supreme Court. This is yet another example of the media's frenzied desire to dig up sensationalized "dirt." I want to set the record straight by presenting some facts that were left out of the USA Today story:

1. *The USA Today reporter had* AT LEAST three vodkas-and-cranberry juice.

2. The Supreme Court might benefit greatly by the addition of several hundred college students. ("WASHINGTON — In a landmark decision yesterday, the Supreme Court ruled 356-9 that the Constitution contains WAY too many big words.")

Of course I admit that I have a few "skeletons in my closet" that might appear to indicate bad judgment if taken out of context, such as the arrest for discharging highway flares inside a diner.

But that is "water over the dam." The point is that my campaign is surging proudly ahead with no pending indictments that I know of. Now is the time to get on the bandwagon. We need a designated driver.

Knight-Ridder Newspapers

Waiting Game: Have Crown, Will Travel

By Craig R. Whitney
New York Times Service

LONDON — Have crown, will travel is the message from Crown Prince Alexander of Yugoslavia, who hopes his disintegrating country will come to its senses and bring him back as a stabilizing symbol of national unity.

The only piece of his country this direct descendant of Queen Victoria of Britain has ever seen is Room 212 of Claridge's Hotel, briefly declared Yugoslav territory when he was born on July 17, 1945, so that when the day came he could legally succeed his father, King Peter II.

But the day never did come, and the Communists under Tito proclaimed a republic instead in 1946. Crown Prince Alexander became a businessman instead of a king, after attending schools like Culver Military Academy in Indiana and *Gordonstoun in Scotland and* serving seven years in the 1615th Queen's Royal Lancers.

But things are looking up in the monarchy business in Eastern Europe, and for the last year and a half Prince Alexander's trade has been selling himself, from an office grandly called the Chancellery, tucked behind a pair of empty storefronts on fashionable Park Lane.

"I have never been to Yugoslavia, which is sad but in a sense is positive, because I am not tainted by any of the political arguments," he said hopefully. "This is why the monarchy is a solution."

"Here is this force of unity which understands democracy, has lived in democracy for a long time," continues the sales pitch, which Prince Alexander said he was now being invited to make "daily, absolutely daily," to the increasingly interested Yugoslav press.

"They either comment daily or carry major interviews with me daily," said the crown prince, a *dark-haired, friendly man* with an American accent acquired during years at the re-insurance business in New York City in the 1970s.

He speaks Serbo-Croatian fluently, according to friends, who say that he sometimes has to spend a moment searching for the right word but otherwise can say what's on his mind.

"I'm telling everybody that we have to get on with each other, we have to respect each other's nationality, background, religion, customs, the way we write, and reminding people that Europe is coming together into a single market," he said. "We would do ourselves a lot of damage if we continue tearing each other apart."

That is what his country seems to be doing, though Prince Alexander said that now many politicians in Yugoslavia are willing to talk with him, including, through third parties, the uncompromising President Slobodan Milosevic of Serbia and, *directly* by telephone, his rival, President Franjo Tudjman of Croatia.

"Politicians are politicians, but the response from the people has been absolutely tremendous," he said.

People who follow these things closely are guarded about his chances. His cousin King Michael of Romania went home last December, but was forced to leave again after 12 hours.

King Constantine II of Greece, another cousin as well as a close *friend, is also sitting in London* down the street waiting in vain for his people to ask him back.

"We are two different cases," Prince Alexander said.

The exiled King Simeon II of Bulgaria may have a slightly better chance, if a referendum on whether that country should continue as a republic set for July 6 turns out his way, said Harold B. Brooks-Baker, publishing director of Burke's Peerage.

"If Simeon is successful, then Alexander is likely to follow," *Brooks-Baker said.* "It would represent an entirely new approach to king-drafting, though."

M. Polak/Sygma
Prince Alexander and his father in "Chancellery."

Alexander takes heart from his cousin Juan Carlos I, king of Spain, precisely the kind of democratic constitutional monarch he said he would like to be.

Besides, he believes that logic is on his side. Taking out a map of Yugoslavia from his desk, beneath a majestic oil portrait of his late father, he pointed out how difficult it would be to take his country apart.

"Where do you draw the borders?" he said. "Anyway, the thing now is to get on with each *other. The United States is a* multicultural society, and still there are problems there, but it's working, *in the sense that people are* getting on with each other. Yugoslavia can do the same thing."

"The future only lies in democracy, dialogue, fully respecting human rights, religion, and customs and language," he said. "It's very important that we respect all these values, or else the whole of Yugoslavia will lose time, and in the end the people will continue to suffer the most."

Asked when he thought he would be able to return, he thought a moment and said: "I *don't think it's too far* away. *It* can't be too far away."

PEOPLE

A Quick Half Million

One of the surprises of the new film "Robin Hood — Prince of Thieves," starring **Kevin Costner**, is the brief and unannounced appearance by **Sean Connery** as King Richard the Lionheart. He shows up in the last minute of the movie, gets off his horse and blesses the marriage of Robin and Marian. Another surprise, according to Premiere magazine, is that Connery was paid half a million dollars for the mini-role. "He didn't have to study hard for it but he looked real good," said **Jeff Mennell**, a critic for the Hollywood Reporter. "He shows up in the last minute of the movie and he's the best thing in it."

□

A quiet settlement has been reached ending a $20 million lawsuit charging that Tri-Star Pictures and the director and writer **Amy Heckerling** stole the basic premise and large chunks of her 1989 hit, "Look Who's Talking," from a student project given to her three years before the film's release. Under a court order from federal **Judge William Matthew Byrne Jr.** in Los Angeles, the terms of the settlement between Tri-Star and the independent writers and producers **Jeanne Meyers** and **Rita Stern** are confidential. Court records indicate that a settlement was quickly reached after Byrne in April rejected Heckerling and Tri-Star's efforts to seek a dismissal, saying that the facts of the case not only show "substantial similarity" between the two works but also "suggest copying." "Look Who's Talking" and its sequel, "Look Who's Talking Too," both starring **John Travolta** and **Kirstie Alley**, together have grossed more than $380 million in ticket sales.

□

Red Square has accommodated many parades over the years, but perhaps none as chic as one planned for June 30, when some of Moscow's top models show off **Pierre Cardin**'s latest fashions. "This is the pinnacle of my career," Cardin said after his couture house announced the show. "I can't imagine anything more wonderful than opening up to youth, and showing fashions to a crowd of 100,000 or so in Red Square." Cardin said he would use Soviet fashion models.

□

A magazine that dared to suggest that Japan's bachelor crown prince would maybe find a bride if he changed his hairstyle has incurred the wrath of the imperial court. The august Imperial Household Agency, perhaps the only institution able to curb press freedom in modern Japan, said on Friday it had warned the editors of the weekly magazine Bunshun not to offend again. The latest issue of Bunshun carries 10 pictures of **Crown Prince Naruhito**, 31, each touched up to *show him with a different hairstyle.* The magazine said it had polled 100 young women in a Tokyo street and only five favored the prince's current longish, straight, unoiled hair. At least seven other styles rated higher, with the verdict that Naruhito would look best with his hair cut short and wavy, covered in oil and combed back.

□

The FBI raided a printing plant cranking out thousands of fake tickets to **Grateful Dead** concerts and arrested two people, smashing a long-running ring, the agency said. The ring peddled the phony tickets at arenas and concert halls around the country for performances by the enduring psychedelic rock band. "They were making some big money. I would say in the hundreds of thousands of dollars," said **Assistant U.S. Attorney Jack Wenik**. "Outstanding news!" **Dennis McNally**, a band spokesman, said of the arrests. "This is no mom-and-pop small-time stuff." When agents raided the printing plant they found 2,000 fake tickets for upcoming concerts in New Jersey, Wenik said. For years the band has warned fans through its telephone hot line to avoid counterfeit tickets by either buying directly or through authorized ticket sellers.

□

Queen Elizabeth II has made **Leonard Cheshire** a baron on for his work in setting up the Cheshire Foundation, which runs 250 homes for disabled people in 45 countries. He was among 1,004 people from all walks of life honored on the queen's official birthday in the first awards list drawn up by **John Major** since he became prime minister last November. Cheshire won the Victoria Cross, Britain's highest gallantry award, as a bomber pilot in World War II and witnessed the atomic bombing of Japan in 1945. He later dedicated his life to working for disabled people.

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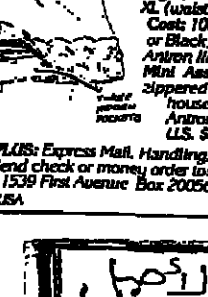

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